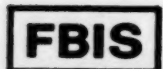


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West Europe Report



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21 February 1985

WEST EUROPE REPORT

CONTENTS

ARMS CONTROL

NETHERLANDS

- Defense Official on NATO Conventional Strategy
(P.E.M. Volten; NRC HANDELSBLAD, 21, 22 Dec 84) 1

SPAIN

- Nuances in NATO Issue Political Battle Lines
(Jose A. Sentis; ABC, 8 Jan 85) 7

POLITICAL

FINLAND

- Norwegian Observer Views Likely Effects From Missile Incursion
(Morten Fyhn; AFTENPOSTEN, 10 Jan 85) 9

GREECE

- Gennimatas, Laliotis, Tsokhatzopoulos Troika Break Up
(Nikos Khatzinikolaou; MESIMVRINI, 24 Dec 84) 11

- Karamanlis Re-Election Seen Assured
(Kh. K. Bousmbourelis; TO VIMA, 30 Dec 84) 12

- Turkish Official Interviewed on Economic, Political Relations
(Erdem Kaya Interview; TO VIMA, 8 Jan 85) 14

ICELAND

- People's Alliance, Women's List Lead Opposition
(Staksteinar; MORGUNBLADID, 12 Dec 84) 16

- Foreign Minister Backed in Support for NATO
(Editorial; MORGUNBLADID, 14 Dec 84) 18

NORWAY

Anti-Soviet Communist Party Elects New Leadership (Halvor Fjermeros; KLASSEKAMPEN, 5 Jan 85)	20
Spring Storting Session Agenda Includes Security, Energy Issues (Morten Malmo; AFTENPOSTEN, 8 Jan 85)	24

SPAIN

PNV in Search of 'Legislative Pact' With PSOE (ABC, 2 Jan 85)	27
Galician Election To Test Center-Right Unity (ABC, 2 Jan 85)	29
AP Gears Up Efforts To Become 'Natural Majority' (ABC, 4 Jan 85)	31
Internal Conflict Burgeons in PNV Ranks (ABC, 4 Jan 85)	33
Regional Assembly Power Struggle Compromise Ruled Out Win Predicted for Arzullus	
Segurado Leaves CEIM To Head New Party (ABC, 8 Jan 85)	37

MILITARY

AUSTRIA

Efforts To Improve Lagging Civil Defense (Inge Santner; DIE WELTWOCHEN, 20 Dec 84)	39
---	----

NORWAY

Military To Replace Oldest Vehicles Beginning This Year (ARBEIDERBLADET, 11 Jan 85)	44
Briefs Air Force Radar Equipment Contract	45

SPAIN

King Juan Carlos, Senior Officials' Military Epiphany Speeches (Various sources, various dates)	46
Military's Unifying Role Stressed Individual Branch Chiefs Comment	

SWEDEN

Norwegian Firm Gets Contract for Naval Communications Equipment (Ulf Peter Hellstrom; AFTENPOSTEN, 2 Jan 85)	51
---	----

ECONOMIC

GREECE

Scenario for IMF Assistance to Economy Drawn (K. Kolmer; MESIMVRINI, 27 Dec 84)	53
Hungarian Company Awarded Contract for Health Centers' Equipment (I KATHIMERINI, 8 Jan 85)	56
Briefs	
Agreement With USSR	58
Agreements With Libya, Iraq, Egypt	58

NORWAY

Briefs	
Industrial Production Up Four Percent	59

SPAIN

Major Reduction in INI Losses Slated for 1985 (DIARIO 16, 30 Dec 84)	60
Libya Pledges To Pay Construction Debt With Oil (YA, 3 Jan 85)	62

ENERGY

GREECE

Crude Oil Imports for 1984 Listed (I VRADYNI, 4 Jan 85)	64
Briefs	
Electricity Price Rise	65

ITALY

Text of Energy Policy Resolution (NOTIZIARIO DELL'ENEA, Aug-Sep 84)	66
--	----

ARMS CONTROL

NETHERLANDS

DEFENSE OFFICIAL ON NATO CONVENTIONAL STRATEGY

Rotterdam NRC HANDELSBLAD in Dutch 21, 22 Dec 84

[Articles by Dr P.E.M. Volten, director of policy affairs of the Ministry of Defense: "Strengthen Conventional Defense: But How?" "Strengthen Conventional Defense: But Against What Type of Offensive?"7]

[21 Dec 84 p 7]

[Text] The debate on strengthening NATO's conventional defense has flared up again during the past years. That increased interest was actuated by statements made by General Rogers, commander-in-chief of the NATO in Europe, about promising technologies to be available in the near future ("Emerging Technologies").

The appearance of all sorts of concepts and doctrines in which the application of those technologies would already have found a place, attracted much attention. Especially the report that a number of new technologies would enable NATO to shell targets far in the hinterland of the Warsaw Pact ("Deep Strike"), elicited many reactions. According to some, there was even talk of changing to an offensive NATO strategy. Too much emphasis on only a few elements of the possibility to strengthen conventional defense and the maze of names of studies and concepts (Air-Land Battle, FOFA [Follow-on Forces Attack], OCA, Army 21, etc) did not contribute to a good understanding but to confusion. For instance, General Rogers' plans are often mistaken for the Air-Land Battle doctrine which has been worked out by the American Army in the field manual Operations.

The question as to against which specific divisions of the Soviet Armed Forces the ideas, plans and emerging technologies are aimed, is also not very clear. Yet, it is absolutely necessary to differentiate here; whether one or the other concept for improving Western defense is implemented, makes a lot of difference.

At several occasions General Rogers has made it clear that the superior numbers of the Warsaw Pact form a threat which could force NATO to use nuclear weapons too quickly. So, not only conventional strength is needed for a credible, conventional deterrence—to refuse entry into our territory—but also for raising the "nuclear threshold". The unimaginably difficult decision to use nuclear weapons should be the opponent's decision. That is how total deterrence will be strengthened.

General Rogers adds that the superior numbers of the Warsaw Pact are mainly due to the Soviet Union's reserves. These reserves can relieve the troops at the front and then defeat the battered NATO troops. So, the important thing is to eliminate the reserves before they reach the front.

Now watch how Rogers continues: NATO can strengthen itself, particularly because it is technologically superior to the Soviet Union. That fact should be made use of and that possibility exists now thanks to the emerging technologies.

Many comments have been made about this approach which, in itself, sounds logical: Can we pay for it? Is the result of the new systems effective? Where will the command of these systems be in the NATO organization and does it come under air or land forces? Do the systems force the member states into revising the division of tasks or priorities? These and other issues are still being studied, and therefore, the ministers of defense of the member states decided not to make any decision on Rogers' plans for the time being.

An essential question which, because of the (Western) fixation on technology, hardly seems to arise, is whether the method followed by Rogers, is the only possible one. That is not the case. Assuming that the West is not prepared to achieve numerical parity or is not capable of it, then that does not mean that technological superiority can make up for the difference in conventional strength. Indeed, technology can contribute to strengthening fighting power but those are certainly not the only means and sometimes not even the right ones. Translated into operational terms, General Rogers' plan contains the danger of too much emphasis on firing power—aimed at the above-mentioned reserve units—and of other factors, which determine fighting power, being overlooked.

Air-Land Battle

This leads us to the American Army's field manual Operations in which, besides "deep strike", other military-operational basic concepts are also discussed, i.e., initiative, coordinating the actions of land and air forces, and maneuver and agility.

It is important that the American Army's doctrine distances itself from the highly passive, static defense as described in the 1976 field manual and will now stress an active, mobile defense. Firing power and "deep strike" have not become unimportant but do not get as much priority as in Rogers' plan.

The Air-Land Battle does not aim at the technological solution but tries to assert the influence of the military skills of the commanders at all levels, from low to high. To dare to take the initiative, to make decisions, "Auftragstaktik" [delegation tactics] where the implementation of the order is left up to subordinates, are strong points of the Western soldier and weak points of the Soviet soldier. It is not something that can be measured—like firing power—but nevertheless, it is important for assessing the power ratios and for strengthening Western defense.

The same is true for maneuver and mobility. These are powerful weapons and even indispensable in situations where one is outnumbered by the opponent. These situations, the NATO units have to take into account. For, it is true that the main points in a battle are, in the first instance, determined by the attacker. The Soviet commander will try to get local superiority in order to break through NATO's first defense line. And it is there that the NATO commander--per definition--cannot manage a war of attrition and will have to find a solution in outmaneuvering the opponent. He will have to try to disperse the units which are superior, and to regain control of the initiative and the pace of the battle.

There is no alternative to victory for a commander on the battle field. He has to be able to drive the attacker back to his initial position. That requires maneuver and some offensive power. But these means for tactical actions have nothing to do with an offensive strategy. A strategy relates to the entire war, not to the (conventional) battle. Whereas it is senseless to speak of winning a war between East and West, that is not the case for a tactical battle.

Neither Rogers nor the Air-Land Battle doctrine is a charm. Neither can solve the military-strategic problem posed by nuclear weapons. Anyway, they should not. The more or less calculable things which still play a role in conventional armament, should never be allowed to lead to the idea that a war could be waged again. The improvement of the conventional defense has to be at the service of a policy to prevent war and discourage aggression. The advantages and disadvantages of the different methods for improving conventional deterrence should first and foremost be viewed in that light.

[22 Dec 84 p 7]

[Text] During the debate on the use of new technologies by NATO, one should not forget that it is also possible to strengthen the conventional defense with existing means. In that respect, the Air-Land Battle doctrine of the American Army offers a more balanced, operational concept than the Rogers plan. But it is not only a matter of the extent to which emerging technologies could play a role in the defense. The way in which they could best be used against the armed forces of the Soviet Union, is also important.

If modern systems for "deep strike" would be used against the second wave of those forces, they will have to be an answer to the way in which the Soviet military itself thinks it can carry out an offensive in the best manner. The operational concept of the NATO forces should be aimed against that. Then, it will strengthen deterrence.

First of all, the military strategy of the Soviet Union stresses that--if an armed conflict cannot be avoided--the advantage of surprise should be utilized as much as possible.

Further, the battle is waged in the entire "theater" and is not limited to the front lines. The purpose of the airborne troops is to upset the NATO defense in the hinterland and to "draw"--as it were--the NATO forces at the front back into the hinterland. At the same time, land forces have to break through that front and then, make the defense in the hinterland impossible, too.

Maneuver and mobility of the NATO units are very important for this in-depth defensive. The organization and the pace of the attack have to be broken.

Besides, it is desirable for the same purpose--for NATO to be able to harrass the Soviet troops which are preparing themselves for battle in their own rear area, and can prevent that they join the first echelon of the attack. In that way, breakthroughs can be prevented, at least reduced. That would have to be the contribution of emerging technologies.

Picture

The way we picture the disposition and the location of the troops which are kept in reserve in order to carry out a breakthrough, is essential here. It must be possible to open fire upon those troops when they are most vulnerable and before they will form the main thrust of the attack.

The well-tested method in World War II was to unleash concentrated units (divisions or armies) at the opponent in successive waves. A great mass beat a hole in the defense and through that widening hole the next echelon streamed into the opponent's rear area.

It goes without saying that the planning of such an attack which was ordered and directed from the top, could not be changed easily. A disadvantage of this attack method is that it enables the defender to some extent to predict the course of the attack and to determine the main thrust of the attack at an early stage.

In order to fight off such an attack, the weapon systems, equipped with emerging technologies, must have a considerable range. The front of the attack does not form the biggest threat. It is not difficult to trace the units because of their size and concentration and it is relatively easy to eliminate them. "Deep strike" would reach quite far--up to hundreds of kilometers--against the units lined up one behind the other. However, there is no doubt that that large distance has a negative effect on the weapon systems' effectiveness.

Nuclear Weapons

The question is, however, whether this method of attack is still popular. Drastic changes have been made in the Soviet Union's military strategy since World War II and it is unlikely that the operational actions of that time would still have many proponents in the General Staff. In the first place, nuclear weapons force the armed forces to spread out their units.

The threat of nuclear arms alone prevents large units from concentrating for some time. Besides, the tremendously increased mobility makes it possible to quickly change the density of the troops. If a concentration of firing and thrusting power is needed, then it does not take so long anymore to prepare. Because of that, it is also no longer necessary to pinpoint the spot where the breakthrough has to be made, beforehand. The main thrust of the attack must be made as early during the attack as possible. So, in this approach, the best-equipped (elite) troops are not part of a second operational--leave alone strategic--echelon but of a first operational echelon which can be employed quickly and is practically completely ready. In that case it is likely that the modern version of the Mobile Group, the Operational Maneuver Group, receives the order to force a breakthrough on the first or second day of the offensive.

In this new conception, the spot of the breakthrough is not exactly predetermined. It is out of the question that large, concentrated units will form a long line and wear out NATO's defense with successive thrusts. On the contrary, the tactical task of the troops, starting the attack, is to try to find the weak spots in the defense. They have to find many "holes", if necessary create them, through which the maneuver troops can pass.

Strong spots in the defense have to be avoided. The opponent does not have to be destroyed; his defense must be upset and paralyzed.

Superior Power

The Operational Maneuver Group is not a second echelon, the task of which is known beforehand. That task--as well as the place and time of action--depends on the tactical course of the battle. Rather, it is a reserve within the first echelon, with the purpose to exploit tactical success.

So, what we are seeing in the military strategy of the Soviet Union, is an attempt to tackle the previously rigid organization of the offensive. Because its commanders at lower levels do not have the same characteristics as the Germans in World War II, the Soviet Union is indeed trying to achieve the flexibility of actions by way of large number of men and weapons. Locally superior numbers are still important but maneuver and mobility have been added to it, be it at a rather high staff level.

It does not help much to design weapon systems with a range of hundreds of kilometers against this offensive conception. There are no predictable supply lines, there is no question of regularity of the successive waves of attack and the main thrust is not so far away. If the offensive were to take place in one operational echelon, then those weapon systems could do little or nothing at all. The second echelon from the western military districts of the Soviet Union will probably not arrive in East Germany until after several days. According to the conviction of the General Staff in Moscow, however, the battle must have been decided by then.

This does not alter the fact that emerging technologies could play an important role. It is essential that modern radars can discover and follow moving targets far away. Those radars have to inform the NATO commanders timely as to where the thrusts of the attack will be. There is no point waiting for it for days. Then it will be too late. The commanders would be informed about the second-rank troops' advance.

In the Air-Land Battle doctrine the emphasis is on the immediate threat in the front lines. Deep Strike systems together with maneuvers are the answer to unexpected, locally superior power. Then a limited range would be sufficient for the Deep Strike systems. Because of this, the technical requirements of the new systems are less and their effect increases. Rogers' plan, on the contrary, is heavily based on the World War II method of attack. He thinks: "In order to breach ACE defenses rapidly and maintain the momentum of the offensive, Warsaw Pact doctrine calls for the commitment of forces in successive waves, of echelons, always keeping great pressure on the defender and seeking to mass sufficient forces for a breakthrough". That breakthrough is supposed to be followed by the deployment of "exploitation formations at army and army group (front) levels".

Clearly, it is very important to first determine which of the different views on the Soviet Union's offensive is preferred. That preference will also be determined by other factors such as terrain and the disposition of the different defense sectors in West Germany. It is not a matter of a choice between black and white but any choice will have to be based on a thorough analysis of how the Soviet Union thinks in a military respect.

12433

CSO: 3614/50

ARMS CONTROL

SPAIN

NUANCES IN NATO ISSUE POLITICAL BATTLE LINES

Madrid ABC in Spanish 8 Jan 85 p 15

[Article by Jose A. Sentis]

[Text] Madrid—The president of the government, Felipe Gonzalez, will propose to spokesmen for the parliamentary delegations that NATO talks be resumed in the next few days, government sources told ABC. In this "second round," the president will try to win specific points in favor of a consensus.

The major obstacle facing Felipe Gonzalez, which he sounded out with the parliamentary delegations last November, is the Socialists' promise to hold a referendum on Spain's continued membership in the Atlantic alliance.

In the administration's opinion, however, the referendum should not be included in the discussion of a parliamentary consensus, and Felipe Gonzalez wants to limit the talks with the opposition groups in his proposed "decadologue," which was presented to Congress during the debate on the state of the nation. But the problem of the referendum will be at the heart of the talks, since nearly all of Congress agrees basically on the rest of the international policy legislation introduced by the president of the government.

Points of Agreement

For example, the points related to Gibraltar, to the bilateral cooperation agreements in the area of defense, and to the participation in the NATO Disarmament Committee are not really controversial. What is controversial, however, is the extent of participation in NATO (total or partial) and the system chosen for membership. These two issues will be the bone of contention for the forces of the center and the right in the Congress of Deputies. For the present, Felipe Gonzalez has been able to persuade—albeit with difficulty—the 30th Socialist Congress to give the government "free rein" in its decision on defensive alliances. In fact, the chief of state was very confident, because he had already begun exploratory talks with the opposition before the top organization of the Spanish Socialist Workers Party (PSOE) made a decision on this matter.

Now that this step has been taken in Congress, the talks that will resume soon will be able to proceed to lay out a concrete proposal for the debate in the

Congress of Deputies. The government wants as close to a unanimous vote as possible on this bill, since that would provide more solid backing for the international policy it chooses to pursue.

Affair of State

The opposition groups, on the other hand, have stated that they want to participate in this hypothetical consensus because they perceive it as an "affair of state." For this very reason, several opposition groups of the center and right have come out in favor of many of Felipe Gonzalez' proposals, but they understand that a parliamentary consensus is sufficient ("Parliament is the representative of national sovereignty"). It is therefore not necessary, in their opinion, to have a referendum on a decision that is within the government's purview and that cannot be explained to public opinion in all its dimensions because of the secrecy of national defense matters.

Felipe Gonzalez will nonetheless insist in the second round of negotiations that the referendum is not subject to discussion.

The positions taken by the parliamentary groups on NATO in the first round of talks line up as follows:

—For remaining in NATO: PSOE, Popular Coalition, Centrists, Basque Nationalist Party (PNV), CiU and CDS [Democratic Social Center]. In total, 342 seats out of the 348 in the Chamber.

—Against remaining in NATO: Spanish Communist Party (PCE), EE and Republican Left of Catalonia (ERC). In total, 6 deputies.

Among those advocating that Spain remain in NATO, however, only PSOE and CDS (204 seats) are in favor of keeping the status quo, that is, what has been called the "civilian" NATO. Full membership (in military organs) is favored by Popular Coalition, the Centrist Group, and the Basque and Catalan Minorities.

There are similar differences on the referendum: The Socialists and the CDS agree that it should be held (to "remain"), while the Popular Coalition, PNV, Centrists and Catalanian Minority feel that the issue should not be subject to consultation with the public. The parties opposing NATO, on the other hand, prefer that a referendum be held, but they assume the result will be a pull-out from the alliance.

In short, Felipe Gonzalez does not face serious problems in getting his bills through the Chamber, but if he wants the unity he has expressed a desire for, he will have to make concessions to the opposition, at least to attain the (possible) figure of the present 342 votes favoring Spain's continued membership, one way or another, in NATO.

8926

CSO: 3548/75

POLITICAL

FINLAND

NORWEGIAN OBSERVER VIEWS LIKELY EFFECTS FROM MISSILE INCURSION

Oslo AFTENPOSTEN in Norwegian 10 Jan 85 p 8

[Commentary by Morten Fyhn]

[Text] The Finns have something to think about following the incident of the Soviet missile that violated Norwegian and Finnish air space. In the first place it should be noted that the Finns were not even sure that it was a missile that came in over Lapland. In the second place it was shown--as expected--that a fighter plane cannot detect and inactivate a missile fast enough. In the third place grave shortcomings were revealed in preparations for the authorities to handle such incidents.

As if this was not enough the Finns also became aware of the fact that it is not only American cruise missiles that might violate Finnish air space. In the debate of recent years attention has been focused solely on the possible consequences for Finland after NATO began deploying its cruise missiles. People have imagined situations in which missiles were directed across Finland toward the Soviet Union from western planes, ships and submarines and they have pondered over how they could be detected and stopped. For under the VSB [Friendship, Cooperation and Mutual Assistance] pact with the Soviet Union Finland is obliged to defend itself against attacks on the Soviet Union across Finnish territory.

As far back as 1978 former President Urho Kekkonen was aware of the problems the new type of low-flying cruise missiles could create for neutral Finland. He therefore asked the superpowers to agree to ban cruise missiles. In the 1981 report from the third Finnish parliamentary Defense Commission Finland's obligation to try to defend its air space against cruise missiles was discussed. In the debate over the last few years Finnish military sources have claimed that they had or would have relatively good conditions for detecting and shooting down cruise missiles.

But all this has primarily been a political signal from Finland to the Soviet Union. The message has been that Finland is aware of its commitments under the VSB pact. At the same time the Finns have undoubtedly known that it is impossible for Finland or any other country to stop a swarm of cruise missiles. For no one thinks such missiles would be fired off one at a time so that it would be possible to shoot them down as they passed overhead.

President Mauno Koivisto's New Year's speech, in which he repeated and strengthened Kekkonen's proposal for a ban on cruise missiles, has been interpreted as a new Finnish signal to Moscow that an active effort is being made to remove the threat that the cruise missiles represent. The speech is viewed at the same time as a response from Koivisto to more or less openly-expressed criticism both at home and in the Soviet Union that Finnish foreign policy is too passive. For example it was commented several times last year in the Finnish press that Finland had held a very low profile in the Nordic debate on a Nordic nuclear-free zone.

In his New Year's speech, which Koivisto claims he delivered without having known about the Soviet missile violation, the president said that it is difficult if not impossible to detect cruise missiles. The violation 4 days earlier showed how right he was, at least as far as Finland's surveillance capacity is concerned.

If Koivisto had not proposed a missile ban and repeated Finland's desire for the establishment of a Nordic zone there is reason to believe that he would have been the target of open criticism today following the dramatic violation. Now attention is being directed instead at the inadequate supply of information to the president himself and to the public. Attention is again concentrated in the security policy debate on the superpowers' mounting interest in the North Cape and the importance of setting up arms reduction agreements between the superpowers.

Finland's foreign policy and its analysis of the country's exposed position will probably remain unchanged. Confirmation has been provided, albeit from an unexpected quarter, of what has long been assumed. Efforts to improve radar surveillance in Lapland and military routines will probably be stepped up. But above all Finland is placing its trust in a rapprochement between the United States and the Soviet Union. Therefore the relatively good news from Geneva has undoubtedly been welcomed in Helsinki.

6578

CSO: 3639/60

POLITICAL

GREECE

GENNIMATAS, LALIOTIS, TSOKHATZOPOULOS TROIKA BREAK UP

Athens MESIMVRINI in Greek 24 Dec 84 p 5

/Article by Nikos Khatzinikolaou, "War Against Akis by Gennimatas and Laliotis"/

/Text/ Minister to the Premier Akis Tsokhatzopoulos, who is accused of "overstepping his duties," has recently become the target of PASOK's Marxist wing--and particularly of his comrades in the Executive Office .

The party machinery at Kharilaou Trikoupi Street and Executive Office members Gennimatas and Laliotis in particular, accuse Tsokhatzopoulos that:

- a. He uses his position as chairman of the Government-Movement Liaison Committee /ESKK/ to assert his authority over his comrades in the government as "the legal spokesman of the political choices of the party's rank and file, and
- b. He uses his position "as minister to the premier" to appear in the party "as Andreas in place of Andreas."

According to the same reports the other two members of the former troika (Gennimatas and Laliotis) recently protested to the premier about "Akis' hegemonistic tendencies and arrogance." They submitted to the premier a comprehensive report "on the frictions Akis causes in the party machinery with his activities."

This information was given to the other members of the Executive Office by St. Manikas, an ESKK member who is said to be the "eye of the die-hards at the side of Akis."

At the same time the premier received complaints by several ministers who are "policed" by Tsokhatzopoulos and particularly by Minister of Public Works Perrakis who, it is said, declared that "I was not appointed a minister but a private secretary to Akis."

Finally, the feud with Tsokhatzopoulos--who maintains that "he will lead PASOK's party mechanism until the national elections"--has been joined by several PASOK leading committees (including the leadership of the Organizational Committee) which feel that Tsokhatzopoulos conveys to Andreas their views "as he wishes them to be and not as they really are."

7520

CSO: 3521/141

POLITICAL

GREECE

KARAMANLIS RE-ELECTION SEEN ASSURED

Athens TO VIMA in Greek 30 Dec 84 p 4

/Article by Kh. K. Bousmbourelis/

/Text/ Usually predictions are made on the year's last Sunday. But since we are in the 12-day holiday period it would perhaps be more preferable, albeit early, to attempt a prediction as to what the new year has in store for us.

Ever since we started this Sunday column a year ago events did not belie our predictions which sometimes were daring. This time, however, it is not a case of predictions but a case of prescheduled developments with a perceptible course and a final goal--barring the unexpected. Unless, that is, unforeseen, world-shattering events take place.

The Unforeseen

The developments will be influenced by the decisions Konstandinos Karamanlis makes in the next 3 months. It is natural that, henceforth, any public official or unofficial statement he makes as well as any private conversation he has--if it leaks--could be of particularly important interest.

However, regardless of his silence on the question whether he will accept a second presidential term and the enigmatic statements he made in Rhodes ("Who knows? I may want to return to my hometown"), Karamanlis could not be the only one who has not sensed what is common knowledge for the overwhelming majority of the Greek people; it is not possible that he does not know what is most important and crucial.

Common Expectation

With few exceptions, all Greeks expect Karamanlis' re-election as head of state. The exceptions include those who do not want his re-election and those who want it but dare not say so. For him who, for the Anglo-Saxons is "a man of the streets" and for the Greeks "an average Greek," a second term is a given. The most talkative and usually shouting Greeks have reached the other extreme--how did they really do it? They succeeded in creating almost imperceptively a climate, a voiceless people, a rare acquiescence around a person.

With great difficulty and completely unexpectedly Karamanlis could disagree with this unanimity. Yet, his re-election is not 100 percent certain because Karamanlis would like to transform--within the limits of the possible--this silent unanimity into consent for coexistence and bring it to the level where both political parties could coexist publicly together.

If one could dare a prediction about the president's intentions, one could perhaps say that Karamanlis would refuse a second term if he had reached the point to believe that nothing can be done toward this direction.

No Tensions

In other words, neither the objective conditions nor the personalities allow for margins for this general consent to develop beyond and above the level where it appears to be firmly rooted. Only in this way can one interpret everyone's feelings at this moment--from head of state to the simple citizen. The feeling is, at least this year, the Greeks do not want tensions in politics, and that they will disapprove of anyone whom they consider responsible for creating any such tensions.

(Whether we like it or not, the difference among the cadre and the less fanatic followers of the two great parties on the question of tensions in politics has already become apparent and this creates serious problems for the corresponding leaderships.) These two things then, the hope for Karamanlis' re-election to the presidency and the clear disapproval of the great mass of voters of any effort to aggravate the situation are timely and decisive and will leave their mark in the coming year.

7520

CSO: 3521/141

POLITICAL

GREECE

TURKISH OFFICIAL INTERVIEWED ON ECONOMIC, POLITICAL RELATIONS

Athens TO VIMA in Greek 8 Jan 85 p 4

/Interview with Erdem Kaya]

/Text/ On his way to Saudi Arabia Turkish Deputy Premier Erdem Kaya stopped in Athens. He spoke about the relations between the two countries and pointed out that "each time our economic relations were good so also were the political ones."

The statements Deputy Premier Kaya made yesterday at the Ellinikon airport added nothing new to the Greek-Turkish relations. In the press interview he gave during his short stop, the Turkish official simply repeated old statements by Turkish Premier Turgut Ozal.

The full text of the reporters' questions and Kaya's answers is as follows:

Question: How do the Greek-Turkish relations stand today? Is there any improvement and if yes, to what is it due?

Answer: Personally I am mainly responsible for the government's economic policy. Therefore, during this short stop at the airport I would not like to speak about political issues. But I would like to say certain things stressing the economic aspects of the issue.

The economic development of each of our countries is important not only for the countries themselves but for the area's development as well. But for our economies to develop we must certainly have very close relations in general. I do hope such is the case.

Question: Don't you think it is easier to have good economic relations when the relations in the political sector are good?

Answer: Both are important. From my point of view, however, it is more important to have good economic relations because an increase in trade exchanges naturally leads to better relations in the political sector. In today's world the political relations depend on the economic relations. Today's world is "economic". History tells us that each time our economic relations were good so also were the political ones.

Question: What you say is perhaps a good Marxist analysis. But could you tell us something concrete about the economic relations since you don't want to speak about our political relations. Specifically, what do you mean when you refer to the economic relations between the two countries?

Answer: There are many areas of cooperation, tourism for example. We could have common programs for the development of our tourism. Other specific programs could also be developed. Greece is a member of EEC and Turkey has signed an agreement to join it. In EEC the two countries could act together.

Question: What economic relations exist today between the two countries?

Answer: Compared to the past, today these relations are at a very low level. They are not what they should be. The possibilities for economic exchanges in the international market as well as in our region are many. Joint actions in this sector would be beneficial to both countries.

Question: Two months ago the Greek side said it is not disposed to proceed with talks on the economic sector if the Cyprus problem is not solved.

Answer: No conditions should be set. The Turkish side always confronts all issues peacefully and with good will. If we put conditions in advance then we would never be able to solve any problem. Turkey does not set any conditions.

Question: Will you apply to EEC in 1985 for full membership?

Answer: It is a principle of our overall policy to submit such an application. But the decision of when and how we shall apply will be taken up by the Turkish government plenum. I am only one of its members. The intention is to apply for full membership. Personally, I think full Turkish membership in EEC is also good for Greece.

7520

CS0: 3521/141

POLITICAL

ICELAND

PEOPLE'S ALLIANCE, WOMEN'S LIST LEAD OPPOSITION

Reykjavik MORGUNBLADID in Icelandic 12 Dec 84 p 9

[Commentary by 'Staksteinar': "The Other Alternative"]

[Text] The opposition is composed of four parliamentary groups that have very little in common when viewed as a unit except being against almost everything that the government does. They have no solutions or a comprehensive policy that can be viewed as an alternative for national issues at the moment. Except for this negative nagging they all have in common, their goals lie in different directions except for the People's Alliance [AB] and the Women's List [SK] that come from the same mold.

The Social Democratic Party and the Social Democratic Alliance

The Social Democratic Party and the Social Democratic Alliance [BJ] have at least three things in common. First, both are outgrowths of "social democratic" roots and consider themselves "social democratic parties". Second, they have both tried to create a special niche for themselves in the Althing through independent issues. Third, and that is the most noteworthy one, both parties reject--verbally anyway--state welfare. The BJ goes even further in this regard and has in many ways tried to latch onto the Independence Party [SJ] in its position on freedom of the individual and private enterprise in industry. The new Social Democratic chairman echoes that--at times.

The position of the Social Democratic Party on foreign and security affairs is clearer and more decisive than that of the Social Democratic Alliance. The BJ vacillates more on this important issue. For example, it is of interest that one of the BJ parliamentary members, Kolbrun Jonsdottir, is a co-sponsor with Steingrimur J. Sigfusson of the AB of a parliamentary resolution "to abandon all ideas of granting permits to construct new radar stations in Iceland," as it is phrased.

The position of the Social Democratic members of parliament, such as Karl Steinar Gudnason and Karvel Palmason, on the composition of wage earner's unions and procedures during wage negotiations is totally different from the position taken by the Social Democratic Alliance MP's.

The People's Alliance and the Women's List

The Social Democratic Party and the Social Democratic Alliance have moved closer to the political center in their policy formation; they may even have crossed over to the right wing. This is, among other things, done to reach voters that have favored the Independence Party. The People's Alliance, however, has moved further to the left and coalesced there with various extremist powers, such as the Fylkingin (Fylking Byltingarsamtök Kommunista/Phalanx of Revolutionary Communists) that have pitched camp there. The People's Alliance has therefore moved away from the Social Democratic Party and the Social Democratic Alliance when looking at the total picture and the role of becoming the "leading party" or the "uniting force" of the opposition parties. The Women's List has, almost without exception, joined the People's Alliance in views on issues whether they involved foreign and security affairs, heavy industry affairs or national issues in general. The Women's List has been almost like a "women's association" of the People's Alliance in its position on parliamentary affairs.

Split Ranks

The opposition is composed of four parliamentary groups that internally fight about mostly everything--and is not very confidence-inspiring as a unit. For the most part it is divided into two factions. On the one side there are two social democratic parties that, however, disagree about many things internally. On the other side there is the successor of the Communist Party of Iceland, the People's Alliance, and the Women's List that is never too far away from it.

The opposition has not formed an overall policy on any issue. And not at all on the problems in the national and state economy that are the most important to solve. The government, that made a nice start at the beginning of its career and for some time thereafter, was unable to rise to the challenge as had been hoped it would do. The government's actions after it was unable to rise to the challenge is controversial. The ineffectiveness of the opposition, however, makes the government seem good when those two alternatives are compared. The "benefits" of having the People's Alliance in the governments during 1978-83 were demonstrated in raging inflation, incessant devaluation of the krona, increased taxation from year to year, foreign debt accumulation (for which we will suffer for a long time to come), increased trade deficits and state expenditures surpassing revenue. These are not feasible future alternatives.

Now the plan is to lower income taxes by 600 million kronur in 1985 and repay the financially strapped fishing industry at least 400 million kronur in collected sales tax. To counter that, the plan is to get 200 million kronur revenue by increasing sales tax by 0.5 percent and 50 million kronur by more strictly enforced tax collection. The chairman of the Social Democratic Party considers this "too stupid for words" and the People's Alliance chairman calls it "tax shifting". But what they want, nobody knows and it is difficult to predict.

POLITICAL

ICELAND

FOREIGN MINISTER BACKED IN SUPPORT FOR NATO

Reykjavik MORGUNBLADID in Icelandic 14 Dec 84 p 36

[Editorial: "Too Vulnerable"]

[Text] More than once on this editorial page the attention has been called to the need for strengthening the capability of the Icelanders themselves to evaluate the development of security affairs from a military point of view. This issue was taken up in Foreign Minister Geir Hallgrimsson's report on foreign affairs which he presented at the last parliamentary session. In the report, the Icelanders are encouraged to become active in direct defense or military cooperation within the Atlantic Alliance. The minister reported that the Icelandic representatives had been observers at the meeting of the NATO Military Committee. No remarks came forth concerning this measure and it is obvious from statements issued by politicians in general that they want the Icelandic government system to be actively involved.

The Defense Agreement from 1951 grants us every right to have the final decision on everything concerning the stay of the U.S. Defense Force in Iceland and all materiel considered necessary for its operation. In addition, the Defense Force is subject to multinational agreements that have been made in the NATO arena which are, just like anything else concerning the Alliance, based on the main point of view of each member state having a veto power.

Despite the secure defense of the NATO membership and the Defense Agreement with the United States, we are unprotected in defense and security affairs; we have not taken enough care to strengthen the infrastructure of the Icelandic government system in this regard. The 30-year term of ministers from the Social Democratic Party and the Progressive Party in the foreign minister's seat has strengthened our position in this regard. It has been the practice far too long that Icelandic politicians shrug their shoulders when the implementation of the Defense Agreement is mentioned, or they speak without knowing what they are talking about People's Alliance-style.

As an example of the new working methods that have been adopted during the term of Geir Hallgrimsson as foreign minister, is the report on the radar stations on the northwestern and northeastern corners of the country. It is impossible for anyone to say that the matter has not been put plainly on the table after that report. More issues must be handled in this manner,

among other things in order to stop people from maintaining unsupported arguments about defense and security affairs.

Those who categorically support the membership of Iceland in the defense cooperation of Western states have been in the forefront of those who want Icelandic foreign policy to be handled in this manner: that no one doubts its goals and means to gain it. In order to make the implementation of this policy acceptable, our own participation must be increased with regard to security affairs.

9583

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POLITICAL

NORWAY

ANTI-SOVIET COMMUNIST PARTY ELECTS NEW LEADERSHIP

Oslo KLASSEKAMPEN in Norwegian 5 Jan 85 p 20

[Article by Halvor Fjermeros: "AKP's New Leadership"]

[Text] "Worker, 36 years old." That is the typical feature of the new leadership of AKP (m-l) [Anti-Soviet Workers' Communist Party, Marxist-Leninist]. The party's new leader, Kjersti Ericsson, should be well known.

In addition to her, the Central Committee's "official face" consists of the following:

Political Vice Chairman Jorun Gulbrandsen, teacher, 36.

Organizational Vice Chairman Arne Lauritzen, industrial worker, 36.

Chairman of the Women's Committee Siri Jensen, industrial worker, 36.

Chairman of the Vocational Committee Tellef Hansen, industrial worker, 36.

And finally, as "rank and file member" of the Central Committee, Vidar Vade, cabinet maker, 42.

It is really "the generation from 1948" which has taken over the leadership.

Workers' Party

There has been considerable talk about the women's coup and the large percentage of women in the new leadership. Another obvious and equally interesting feature is the percentage of laborers. Half of the members of the Central Committee come from the worker class, and many of the members of the leadership group have both feet squarely planted in the battle which is raging on various fronts in Norway in the year 1985.

ARBEIDERBLADET attempted to belittle this fact--one which is so troublesome for the Norwegian Social Democrats--by pointing out that the anti-Soviet AKP draws a boundary line for the worker class between, for example,

a nurse's aide and a nurse. This quickly turned into nurses belonging to the bourgeoisie--indeed, into "the nurses' dictatorship."

This may seem innocent enough, but if one looks closely at the so-called worker's party--DNA [Norwegian Labor Party]--the reason appears for why this is a sore spot. During the period 1945-49, 67 percent of the leaders of the Labor Party were connected to the rather imprecise group known as "manual laborers," while only 27 percent were intellectuals, bureaucrats, civil servants, and the like. During the period 1966-71, the relationship had reversed itself: 36 percent in "manual work," and all of 59 percent as intellectuals and the like. This trend has continued without question and the fact is that a large problem for DNA is that it is too elite for common working people to become part of the party leadership and candidates for elected office.

About the best that it has to offer are Reulf Steen--who was a laborer as a teenager--and Gunnar Berge ("Parliament's most moderate member") as a shop steward at Rosenberg Shipyard once during the 1960's.

Anti-Soviet AKP

The anti-Soviet AKP really can show off a party leadership which has closer connections with the womens' movement and with the foundation of the working class than any other party in the country.

Anti-Soviet AKP has taken the lead in making a six-hour workday the watchword from start to finish as a women's issue within the labor movement. AKP also has had great and decisive significance for important campaigns in the battle to save jobs.

But all who know anything about the party know that it is not possible to create a revolutionary workers' party in an instant in Social Democratic Norway. As Vidar Vade from Tyssedal, a re-elected member of the AKP leadership, told KLASSEKAMPEN, "Working people in this country do not need one, but rather 100--indeed 1,000--proven examples that this party represents something completely different from that which they have seen in other parties for generations."

Jorun G. [Jorun Gulbrandsen, Political Vice Chairman]

"There is too much 'paper' in AKP, too many high-flying discussions which only a few of the members manage to follow," says Jorun. "Take me as an example. I have training beyond the junior college level and manage to cope but I often have trouble as if I were not educated enough. This is a large, unsolved problem for the party. Just as there was a women's uproar within AKP, there also must be a workers' uproar which will change these conditions," states Jorun, who has been a teacher since 1971 and otherwise should be well known in most circles.

Arne L. [Arne Lauritzen, Organizational Vice Chairman]

"That which is happening now in Europe in connection with labor battles in Belgium, France, West Germany, and obviously especially in England, is something fundamentally new. It is a statement that the working class in these countries recognizes that new technology is on its way and that therefore, there is an issue concerning who will control this technology. In this manner, these battles raise questions about the entire capitalistic system, and therefore, we in AKP have a lot to learn from them. I have in mind, for example, the battle to save Norwegian shipyards," states Arne.

Siri J. [Siri Jensen, Women's Committee Chairman]

"We must move ahead. Instead of saying that women make up half of the working class, we must organize all segments of labor's fight with this as a basic premise."

"Take wage settlements as an example: instead of focusing on some particular women's demand at the tail end of the list of demands, we must fight for getting the entire labor movement behind the demand which underpaid women previously have fought for alone." Siri Jensen knows what she is talking about as leader of the committee in the Women's Front which has taken the lead in championing the women's perspective of a six-hour day. She is not a newcomer to AKP. As early as 1970, she represented the leadership of the then MLG [Marxist-Leninist Groups] in a TV program whose theme was that Odd Eidem should roast those young whipper-snappers right before the Norwegian people's eyes. In fact, it was more nearly the opposite which occurred.

"I buzzed around the university for many years and was involved in student battles," says Siri about herself. She was one of the leaders of the large Loan Office Campaigns in 1970.

Since then she has landed in industry and has been a graphics worker for 13 years. Some years ago she was part of the board of directors of the 1,200-member Oslo Bookbinders' Association, and additionally, has plenty of experience in all types of party work.

Tellef H. [Tellef Hansen, Vocational Committee Chairman]

"I do not have anything against undertaking this job as leader of the Vocational Committee," says Tellef Hansen in his unwavering southern accent.

"But it only will be temporary because I must return to a job within industry sooner or later." Tellef "was brought over" from Bergen--as the saying goes in politics--from his job at AS Luna Metalcasting, where he also was shop steward.

He characterizes AKP as follows: "A practical mixture of people with roots in the working class and of crusading intellectuals. In this regard, I have a model to hold up. He is Torstein Dahle, a member of AKP and a social economist at the College of Business Administration and Economics in Bergen. He uses

his knowledge and makes himself available to workers who will fight."
Tellef has the following to say about himself.

"For me, the fight of the proletariat is a liberation. I broke off my main vocational studies and went back to my origins--and I never have regretted that for one day since. I grew up in a working class family and became a member of AUF [Association of Working Youth] as a 12-13 year old. There have been many hard knocks since then and in that regard, I am certainly typical of those who have been elected to the leadership of AKP. They are people who have had a taste of the class struggle."

12578

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POLITICAL

NORWAY

SPRING STORTING SESSION AGENDA INCLUDES SECURITY, ENERGY ISSUES

Oslo AFTENPOSTEN in Norwegian 8 Jan 85 p 3

[Article by Morten Malmø]

[Text] The government's long-range program, which will be presented at the end of March, will be the most important single issue in the spring session of Storting, which got under way today. A good 300 matters are lined up and Storting representatives can look forward to a session that will be both politically "hot" and very demanding. The upcoming fall Storting elections will leave their mark on parliamentary work too.

The government's long-range program will give the first indications of how the Tax Commission's recommendations and proposals will be followed up. There is also great anticipation about whether the government will propose individual reforms, such as a pension age reform. The revised national budget must also be debated before summer and here the important items are employment and municipal finances.

Some 300 Items

According to the information available the spring session of Storting can expect to receive at least 250 individual items from the government. In addition Storting has been working on some matters that have not yet been discussed by the full assembly. These include such things as the Reksten Commission's report, the new law on the Bank of Norway and financial institutions, Storting reports on energy savings and the future of oil activities, the opening-time law, the conscription report, the cultural report, the Storting report on higher education, the report on pedagogical development work in the schools, the Storting reports on single-industry districts and the guidelines for industrial and technical cooperation, the Storting report on development assistance, the Makt report, the report on mapping and research in polar areas and changes in the election law.

United Nations and NATO

Storting will get reports from the Foreign Ministry on Norway's activity in the United Nations, in NATO and in the Council of Europe. There will also be a Storting report on Norway's participation in international cooperation and

Foreign Minister Svenn Stray's report to Storting. The Finance Ministry will also greatly add to Storting's work. It will present not only the long-range program and the revised national budget but also a Storting report on the value-added tax, one on exchange rate conditions, a unified bill on tax matters, a proposal to amend taxation of limited partnerships and a bill recommending the removal of installations on the Norwegian continental shelf.

Inflammatory

The Fisheries Ministry will submit a new law on ocean use and fish breeding. Consumer Affairs and Administration Minister Astrid Gjertsen is preparing several things that will create political controversy. These include her program for modernizing public administration, a Storting report on deregulation and regulation reforms and a Storting report on family policy. Minister Gjertsen will also present a data policy action program. The Defense Ministry is working among other things on the law on military disciplinary authority, a Storting bill on organizational changes in the armed forces and one on NATO's jointly financed infrastructure program.

In the Ministry of Trade on Victoria Terrace Trace Minister Asbjorn Haugstvedt is working on changes in the shipping law, changes in the accounting law and Storting reports on Nordic cooperation, shipping and Norwegian foreign trade.

Pornography Law

The Justice Ministry is preparing some changes in the penal code, in the law on census registration and in pornography legislation. The ministry is also working on new laws on the transfer of real property and on adoption as well as a separate Storting report on Svalbard. The Justice Ministry and the Finance Ministry are also working together on a proposed law for a securities center that should be ready in March. The Church and Education Ministry is expected to suggest changes in the elementary school law while the Cultural Affairs Ministry will soon issue a report on the media, a report on research and a Storting report on higher education.

Municipalities

The Municipal Affairs Ministry will send Storting a long list of items before summer. As early as January it will submit a bill on a new revenue system for municipalities and county districts and in April the ministry will submit a Storting bill on the revenue system in 1986 and municipal finances. There will also be proposed changes in the building law and the work environment law and a Storting report on the Central League of Norwegian Municipalities. In cooperation with the Environmental Affairs Ministry the Municipal Affairs Ministry is also working on a report on the principles involved in regional and district policy.

Oil and Industry

The Environmental Affairs Ministry and the Oil and Energy Ministry are co-operating on the "Overall Water Systems Plan" which will be ready in January

or February. The Oil and Energy Ministry is preparing new reports on oil and gas exploration, development of the Sleipner field and energy policy in general. The Industrial Affairs Ministry is working on Storting bills on Tele-X, Sulitjelma Mine, Horten Shipyard, Sydvaranger and Kongsberg Weapons Factory. From the Transportation and Communications Ministry Storting can expect a proposal on changes in the postal savings law and a Storting law on Oslo's central railroad station. There will also be the Norwegian Highway Plan and Storting reports on telematics, the postal system and automatic traffic control.

String of Social Issues

There will also be a string of health and social issues for Storting to deal with in the current session. Laws are being prepared on the social insurance system on the Norwegian shelf, nursing homes, the guest patient arrangement, the midwife system, an ombudsman for the physically handicapped and on pharmacists. Several Storting bills will also be promoted. The most important one for many people is probably the regulation of the basic amount of social insurance which will come up in May. Social Affairs Minister Leif Arne Heloe is also working on Storting reports on narcotics, child welfare and drug rehabilitation.

6578

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POLITICAL

SPAIN

PNV IN SEARCH OF 'LEGISLATIVE PACT' WITH PSOE

Madrid ABC in Spanish 2 Jan 85 p 9

[Text] PNV [Basque Nationalist Party] is interested in having the "legislative pact" with PSOE [Spanish Socialist Workers Party] signed before the debate on the investiture of Jose Antonio Ardanza as "lendakari" [Basque Government president]. Up until now, the main obstacle has been associated with the different views on terrorism upheld by both parties, although PSOE is also seeking agreement.

The meeting held last Sunday at San Sebastian, for 4 hours, between PNV and PSOE leaders has clearly attested to the mutual concern for making a pact and has restarted negotiations. Present representing PNV was the candidate for "lendakari," Jose Antonio Ardanza; as well as the "vice lendakari," Mario Fernandez, and the parliamentary group's coordinator, Josu Bergara. Attending as PSOE representatives were Jose Maria Benegas and the parliamentary group's coordinator, Juan Manuel Eguiagaray.

PNV's interest has heightened as the periods for undertaking the investiture session, the specific date of which has not yet been set, approach. The nationalists want the "lendakari" to arrive in his new office with "a broad consensus" and as "'lendakari' of all the Basques." If backed by the Socialists, Ardanza would receive a total of 51 votes, and hence a wide majority, with only 13 blank votes (since one cannot vote against, and must put the candidate's name on the ballot) from Popular Coalition and Euskadiko Ezkerra [Basque Left].

Otherwise, Ardanza would receive 32 votes in his favor and 32 blank votes. There is also the fear that some PNV deputy from the Garaicoechea sector might break the voting discipline and create a delicate political situation.

Sources from Democratic Coalition in the Basque Country claim that the legislative pact would be positive, because any method for dialogue and coexistence is good under the present circumstances in the Basque Community. Jaime Mayor Oreja has recently explained this "magnanimous" position to Manuel Fraga, and has received understanding and support.

The fundamental point of difference is the different position held with regard to ETA [Basque Fatherland and Liberty Group] terrorism by PNV and PSOE. The

Socialists want the Basque autonomous government to assume a more clearcut position of repudiation and to have more leadership in the social isolation of ETA; whereas PNV does not want to establish terrorism and violence as the Basque Country's main problems.

Socialist and Popular Coalition sources point out that the main objective, and the most positive result, is that the "legislative pact" would break the dynamics of the Spanish-nationalist confrontation, which is being conveyed from politics to social coexistence itself. These dynamics have been increasingly heightening, and are one of the reasons for the standstill in which the Basque Community is involved.

According to PSE [Basque Socialist Party]-PSOE sources, "The pact between the Nationalists and the Spanish Socialists is an event with major historical consequences for the Basque Country." Normalization at the political summit would have a beneficial effect on the society, and would check "some false, diverse, ideological debates ; it would bring into confrontation the technical and economic problems that have been worsening during the past 2 years."

PSOE is of the opinion that, despite the positive factors, there are still some serious difficulties remaining: PNV should risk a policy of actions adhering to the Constitution and to the unity of Spain, without reneging on its Nationalist proposals and self-government, as has happened in the case of Catalonia.

2909

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POLITICAL

SPAIN

GALICIAN ELECTION TO TEST CENTER-RIGHT UNITY

Madrid ABC in Spanish 2 Jan 85 p 16

[Text] During this coming year, the Galician elections will be the "laboratory" in which, if possible, the unity of all the political forces of the center and right will be tested. This will perhaps be the most prominent event of the forthcoming political period starting now, which all sectors agree in describing as one of "great importance" to the future of the non-Socialist forces.

Eyes are now fixed on the Galician autonomous elections, particularly those of the Popular Coalition parties and of the ones wishing to occupy the center space. A change has taken place recently in the strategy of all of them, based on the increasingly widespread notion that only by running united in the forthcoming general elections will it be possible to defeat the Socialist stronghold and offer a constructive alternative.

There is every indication, from the current situation, that the coordination of an alternative that has, "a priori," sufficient guarantees to unseat the Socialists at the polls is a plan with which the concerned parties have expressed agreement, with strong misgivings on the part of the reformists, but one which, for the present, will have to await more favorable winds. There is no doubt that the Galician elections will be the proper test-tube in which to find out how that majority can be coordinated, and also to decide on the pertinent method. For the time being, various soundings, talks and contacts aimed at this goal are taking place.

This idea has fostered an atmosphere of dialogue which, although it currently seems enveloped in ambiguity, is perhaps the environment that could favor a negotiating position. PDP [Popular Democratic Party], headed by Oscar Alzaga, is definitely in favor of a unity among all forces in a great coalition, and thinks that this is precisely what PSOE [Spanish Socialist Workers Party] fears most, because it senses that, in this way, it could risk the majority that it boasts now.

There are differing opinions in Popular Alliance, which could be summarized, roughly, in two: those who believe that it is necessary to continue the policy of unity between the center and the right, and those who doubt the effectiveness of that strategy. Among the former, wherein perhaps the most prominent

figures in AP [Popular Alliance] are aligned, there are, in turn, various nuances, particularly in the interpretation of the "natural majority" suggested by Manuel Fraga. In the view of some, this natural majority should be formed by adding to the present Popular Coalition some other parties, but retaining the current structure of the popular ones. Others, however, believe in the need for forming another coalition that would result from an agreement among all. The problem that crops up here is that of the leadership, the decision on who must pilot the new ship toward the next elections. It must be borne in mind that, in the pacts signed by the parties currently comprising the Popular Coalition, there is no discussion of the leadership of the opposition head, Manuel Fraga. Nevertheless, this is a point on which the parties that might theoretically join that aforementioned great coalition, such as PRD [Democratic Reformist Party], led by Miguel Roca, PNV [Basque Nationalist Party] in the Basque Country, and CiU (United Convergence) in Catalonia deem negotiations necessary. Hence, several opinion polls have been taken already, and others are planned for the first months of this year, the results of which will be disclosed to each of these parties.

Reformist Refusal

After the first PRD congress, the Reformists have stressed on various occasions that they would not formalize any electoral agreement with other political forces; and Miguel Roca in particular has made it quite clear that there will be no pre-electoral pact with Popular Coalition. Despite this, the doors to an understanding are not shut, and everything will depend on the circumstances at a given juncture acting as a strong motive for advising the contrary. Furthermore, it is only logical that the Reformists should by this position avert the hints of pacts when it is just a year and a half until the electoral gears go into operation. To some extent, their complaints are based on the fact that "we have not yet had real time for taking off," and this is one of the main objectives that this party has set for itself since breaking into public life.

The still on-going crisis in PNV has kept the attention of all these forces in suspense, awaiting the results of the legislative pact that could be formalized, and the new direction that events will take after the resignation of Carlos Garaicoechea, which started the suspense; because, with the latter, virtually any type of a priori understanding was virtually precluded.

For the present, the members of Convergence are the only ones not in a hurry. They give the impression that, after their victory in the Catalanian elections, and the national projection given them by the PRD created by Roca, what least concerns them now is hastening future negotiations. Pujol is at ease.

2909

CSO: 3548/71

POLITICAL

SPAIN

AP GEARS UP EFFORTS TO BECOME 'NATURAL MAJORITY'

Madrid ABC in Spanish 4 Jan 85 p 21

[Text] Yesterday, the secretary general of Popular Alliance [AP], Jorge Verstrynge, announced that, "starting in the second half of this year" his party would be completely ready "to confront general elections," because it is working on the assumption that they will be moved ahead; and he reiterated the propositions regarding the "natural majority" upheld by the Alliance for constructing an alternative to Socialism. He remarked: "The ball is in the other court."

Yesterday, with the general coordinator, Carlos Robles Piquer, Verstrynge submitted a party pamphlet on the 2 years of Socialist government, entitled "...And Now What?"; it is the continuation of the one published a little over a year ago in which it was asked "What Has Become of So Much?", summarizing the opposition's criticism in the various areas of the Socialist government's administration. According to those submitting it, this pamphlet is a response to the "position of constructive opposition, which has little doubt that the present government is not a good government"; because, in Verstrynge's opinion, "at present, the Socialists governing means a failed governing." Carlos Robles, who announced that AP would soon publish another document summarizing the "measures for the first 100 days of a conservative government," said: "As a loyal, but serious opposition, we have monitored the government very closely, and although many claim that we are not a real opposition, those who read this pamphlet will see that we are."

In the working hypotheses considered by Popular Alliance, there is special mention of the conviction that the next elections will come earlier than the stipulated date and that this "crossing of the equator" by the Socialist government is viewed by the opposition as a "mere metaphor," because in its analysis, "the elections are already on the horizon." Both Carlos Robles and Jorge Verstrynge suggested this likelihood, but they agreed that, in any event, the periods would not be complied with. Robles Piquer said that no one could give an exact answer, because "Felipe Gonzalez holds the key," and he added that he thought the president of the government would call elections suddenly, as Calvo Sotelo did in his time. He remarked: "I see only two favorable times: the spring of this year, 1985, coinciding with the treaty joining the EEC, or else the beginning of 1986." According to Robles Piquer, PSOE [Spanish

Socialist Workers Party] "has such a firm" commitment to call for the referendum on NATO that it would be difficult to avoid, but I think that it would be very happy if it were able to do so." Verstrynge added that the effect that the degree of the people's rejection of PSOE might have on the decision made on the election date must not be precluded either.

According to the AP leaders, this analysis shows the urgent need for preparing as soon as possible all the logistics for the electoral event. But, could a united alternative to Socialism be offered? Verstrynge replied as follows: "We have a long tradition of a united alternative; the term 'natural majority,' which is that, was coined here in 1977, and Fraga has always expended great efforts on its behalf. We have not changed even a millimeter in this regard, and we are open to a dialogue; it only depends on having all sides say 'yes' to a particular type of pre- or post-electoral agreement." He reiterated the fact that his party was working "as much as we can" on the preparation of an alternative to Socialism in coordination with other political forces, "and that is nothing new." But he admitted that no "specific offer" had been made, and that for the time being there were no "concrete or special relations" with PRD [Democratic Reformist Party], headed by the Catalanian deputy, Miguel Roca. He added: "The ball is in their court; we want to make every possible progress in this direction." In response to a series of questions, Verstrynge said that there had not been mentioned in AP the possibility of sacrificing the image of Fraga as a candidate for the presidency of the government, based on the natural majority: "Fraga is a common legacy and he has a party on his side to count on. AP does not have the slightest doubt that Fraga will be the candidate for the coming elections, and that is a result of the desire of the Spanish people in the 1982 elections. Any other proposal would violate that desire."

2909

CSO: 3548/72

POLITICAL

SPAIN

INTERNAL CONFLICT BURGEONS IN PNV RANKS

Regional Assembly Power Struggle

Madrid ABC in Spanish 4 Jan 85 p 19

[Text] During the course of PNV's [Basque Nationalist Party] regional assembly at Guipuzcoa, set for late this afternoon in Zarauz, the chairman of the EBB [National Executive Body], Roman Sodupe, will have to put up with harsh criticism made by an extensive sector of the rank and file, scoring him in this way for the role that he played in Garaicoechea's departure.

As has already been reported, many municipal assemblies in Guipuzcoa have approved a document calling for the withdrawal of confidence in members of the EBB, and even the candidate for "lendakari," Jose Antonio Ardanza. Nevertheless, during the past few hours the EBB has challenged the resolution to that effect reached by 20 of these assemblies, turning it over to the party's Regional Tribunal. As an argument for that challenge, it is noted that mistakes in format were made in the approval of this document, and that the party's statutes themselves were violated. Yesterday, sources close to the EBB told ABC that the regional assembly could never demand the ouster of the three representatives of this provincial organization in the EBB, because they were named by the national assembly, an organ that is sovereign per se. However, there is deepseated confusion on this matter among the Nationalists, because other sources maintain that the regional assembly has sufficient capacity to demand a resignation of the provincial executive body. The challenge of any of these resolutions has caused uneasiness among extensive sectors of the rank and file associated with Carlos Garaicoechea, who have interpreted this position as a maneuver by the party's leadership to prevent the withdrawal of confidence from the Guipuzcoa leaders from succeeding. The three members of the Regional Tribunal are remaining silent about their final decision, because the matter is "sub indice" [under discussion]; and it is possible that they will not issue their decision until the assembly itself. There is every indication that the EBB is attempting to wait until 1 February, the date on which the elections for its replacement will be held.

All political observers agree precisely in pointing out that, underlying today's assembly there is the battle to control the party apparat in Guipuzcoa. For several months, Garaicoechea's supporters have concentrated their greatest efforts on this province, the supreme stronghold of the now acting "lendakari."

Both Anton Jaime, Roman Sodupe's predecessor in the EBB chairmanship, and Senator Paco Pozueta are working on the preparations for the candidacy to be submitted by those close to Garaicoechea for the replacement of the Executive Committee. There has been speculation on the possibility that it will be headed by Markel Izaguirre, an aide to the mayor of the San Sebastian city hall, who has recently devoted many articles in the press backing Carlos Garaicoechea's propositions. If this option should win, Roman Sodupe would have to leave the EBB.

Moreover, at today's assembly there will also be a decision as to the member of Parliament who will resign in order to give his position to Jose Antonio Ardanza, thereby making it possible to agree to his election as "lendakari." There are several candidates, although the name of Federico Zabala is being mentioned with the greatest persistence. Another topic on the agenda relates to the appointment of the new deputy general of Guipuzcoa, for which post mention has been made of names such as those of Murua, current statutory deputy, Imanol Bolinaga, mayor of Vergara, and Gurtuz Ansola.

Roman Sodupe

The head of the Basque Nationalist Party could be a victim of the intrigues of the acting "lendakari," Carlos Garaicoechea, who is mobilizing the associated militant groups in an attempt to regain the power that has been lost. Today, at the PNV's assembly in Guipuzcoa, the motion calling for the resignation of Roman Sodupe and the entire Executive Body, as "punishment" for the operation of harassment and overthrow led against Garaicoechea could succeed. If so, the acting "lendakari's" vengeance against Arzallus would be consummated in the figure of Roman Sodupe.

Compromise Ruled Out

Madrid ABC in Spanish 4 Jan 85 p 20

[Text] There will not be a single list in the coming elections for the replacement of the Nationalist Executive Body of Guipuzcoa. Thus the possibility, recently bandied about, of the submission of a single list with members of the two movements, has vanished. The division appears to be consummated, and the members will have to choose between Arzallus and Garaicoechea.

Hence, the battle will take place on every line. For the present, both sides have already made decisions, and Garaicoechea's affiliation with the Zarauz PNV's municipal board supports the theory that he is willing for the war to be a long one.

The electoral process, in which the party's new board of directors in the province will be selected, as well as the three members comprising the Regional Tribunal of Justice, and Guipuzcoa's 15 representatives in the National Assembly, started on 26 December and will most likely end on 1 or 2 February.

For the present, since 28 December, the municipal boards have had notification of the opening of the period for the submission of candidates for the Executive Body. The final date for this is 15 January, after which the Guipuzcoa Buru Batzar [Executive Committee] will send to all the municipal boards for their information the list of the candidates who are running in these elections.

What is clear is that both sectors will stake everything in an effort to gain the power in Guipuzcoa. The possibility that the Garaicoechea line may win has evoked fear of a future split. Even if this were to occur, the control of the party would remain in the hands of Arzallus' followers, but with the serious obstacle of having his opposition installed in the Euskadi Buru Batzar [Basque Executive Committee] itself. Otherwise, the power of Javier Arzallus would be confirmed and he could bring the dissident groups under control.

Deterioration in Relations

Furthermore, the relations among the PNV rank and file have deteriorated during recent months, and the confrontation among the leaders has reached the "batzokis." For example, the magazine EUSKADI (close to PNV) has published in its latest issue a report claiming that the head of the party, Roman Sodupe, the deputy general from Alava, Juan Maria Ollora, and the Executive Body member, Gerardo Bujanda, have been receiving constant telephone calls in which unidentified individuals threatened them with death. A similar situation has also been experienced by the members of the Navarra Nationalist Management, since the expulsion of the Executive Body close to Garaicoechea.

New Party

The aforementioned publication has also included a report wherein it notes that a group of PNV dissidents is preparing statutes for a new political party that would be called the Historical Basque Nationalist Party. This nurtures the suspicion that certain groups might be seriously considering the possibility of a split. The fact that it was one of the party's official organs that published the news makes this possibility more likely.

Moreover, the president of the Autonomous Parliament has already talked with the members of the board about the date on which it is planned to convoke the investiture plenum at which the new "lendakari" will be elected; but the board has decided to meet again next Wednesday, the date on which it will be concerned with the appointment of the senior counselor of the chamber; a post that has been vacant since the beginning of the present legislature.

Win Predicted for Arzallus

Madrid ABC in Spanish 4 Jan 85 p 19

[Text] The confrontation between Arzallus and Garaicoechea will register another "attack" at the meeting held by the Guipuzcoa PNV today. With the Ajuria Enea battle lost, the former "lendakari" is now counterattacking from the party's rank and file, and is doing so in a propitious location: in Zarauz,

the locality in which Garaicoechea has requested his affiliation.

Carlos Garaicoechea has decided on the method of rejoining the party as a mere member, wisely. He could have requested the "admittance" in the PNV of Navarra (in view of his origin), but that would have forced him to make a dramatic decision: either to take a stand with those loyal to him and remain outside the official "apparat," or to pay allegiance to the managing group and "betray" his followers.

Hence, the former "lendakari" has opted for the most advantageous thing: to reenlist in the locality of Zarauz and to use Guipuzcoa as a starting base for his counterattack. It is in this province that Carlos Garaicoechea retains the largest number of followers to the point where it is not hard to observe in the "batzokis" (local PNV headquarters) the portrait of the one who up until now had been "lendakari," prominently displayed in the main hall, more as a challenge than as an institutional gesture.

Carlos Garaicoechea's "divisions" in the PNV are sufficiently strong to warrant anticipating that the "war" with Arzallus will continue into the coming months. In Guipuzcoa, the one who has thus far been "lendakari" has the support of a large majority in the municipal boards, but not that of the mayors, council members and members of the smallest localities, who have shown their unyielding loyalty to the PNV aparat and its representative officials. Nevertheless, Garaicoechea is confident of winning in his district where there is a potential for 10,000 PNV members. Otherwise, his role in the PNV would be reduced to testimonial dimensions.

In addition to having part of the Guipuzcoa "rank and file" in his favor, Garaicoechea has among his backers several political officials, members of Parliament or municipal officials from the Basque Country.

Nevertheless, the Vizcaya and Alava rank and file are the property of the PNV aparat, that is, of Arzallus, with the exception of a few localities, such as Llodio; but they will not be able to determine the party's policy and appointments.

Carlos Garaicoechea's limits begin where Vizcaya begins. The largest number of PNV members is concentrated in this province: nearly 50,000. And, what is more important, it is where Arzallus' ranks are most numerous and best trained. Nevertheless, according to the polls taken at Garaicoechea's instruction, a sizable number of Vizcaya members (over a third) could express their positions in favor of the former "lendakari."

Hence, Carlos Garaicoechea shows some large "armies" of proven merit, demonstrated at the time that they gathered around at the time of his resignation as "lendakari"; but they lack cohesion and guiding organs. Javier Arzallus, on the other hand, controls the powerful party machine, is familiar with all the secrets of statutes which he himself reformed and knows that the strength and endurability of the PNV lie in discipline.

Therefore, the strategists are inclined toward another victory for Arzallus who, from "mere membership" protected by the party's officials (Sodupe and Ardanza), will wind up wearing away the image of Carlos Garaicoechea, without his having suffered the slightest scratch.

POLITICAL

SPAIN

SEGURADO LEAVES CEIM TO HEAD NEW PARTY

Madrid ABC in Spanish 8 Jan 85 pp 15, 19

[Text] As of tomorrow, the president of the Madrid Independent Businessmen's Confederation (CEIM), Jose Antonio Segurado, will leave that job and take over the responsibility of building a liberal party. That party, combining forces with the conservatives of the Popular Alliance and the Christian Democrats of the Popular Democratic Party, is expected to help strengthen the Popular Coalition and at the same time contribute to the enrichment of the Spanish center right. Since the beginning of the democratic transition, there has been no liberal party in Spain to contribute its ideology to the Spanish democratic system.

The president of the Madrid Independent Businessmen's Confederation, Jose Antonio Segurado, will leave his post tomorrow to take over the new party which has been formed by merging the Liberal Party and the Liberal Union (UL), which belong to the Popular Coalition. The new organization has inherited the name of the former party, and unlike the UL, is self-financing. The new group will hold its constitutional congress in June.

The two conflicting sectors within the "liberal arm" of the Coalition headed by Manuel Fraga have agreed to name the former business leader to direct the third attempt at creating a party of liberal ideology. Jose Manuel Paredes, member of the UL provisional executive committee, stated to ABC that Segurado advocates moving ahead seriously with the operation "because it guarantees, among other things, the financial autonomy of the organization, which will be independent but at the same time loyal to the Coalition."

Once the Popular Alliance consolidated its growth as a large conservative party with nearly 150,000 members, and Oscar Alzaga's Popular Democratic Party attained a similar position, the weak flank of the Popular Coalition was its liberal wing, which was known primarily for its constant scandals and internal power struggles. The principal opposition to naming Segurado the new president came from the members of the so-called Liberal Board, a small group of prominent politicians who had belonged to the Democratic Center Union (UCD), led by Antonio Fontan, the ephemeral president of the UL who stepped down when he realized that he was not regarded favorably by the founding core of the party.

Antonio Gimenez Blanco, one of the most important members of the Liberal Board, told ABC that he does not object to Segurado and that he will remain in the party.

Matter of Image

The president of the Madrid businessmen's organization will take over the Liberal Party before the end of January. The UL constitutional congress, which was supposed to be held next February, will be postponed until June. The party will have to change its acronym in order to shed the image the UL has acquired in recent months.

The liberals, who will be led by Segurado soon, deny that the party reorganization will hinder a rapprochement between the Popular Coalition and Miguel Roca's Reformist Party in order to establish a great center-right front to run in the upcoming elections.

8926

CS0: 3548/75

MILITARY

AUSTRIA

EFFORTS TO IMPROVE LAGGING CIVIL DEFENSE

Zurich DIE WELTWOCHEN in German 20 Dec 84 p 7

[Article by Inge Santner: "Sell My Clothes, I'm Going to Heaven--Cheers! Austrian Civil Defense Has Always Been a Stepchild--Vienna is Beginning to Rethink the Situation"]

[Text] Strong words herald big deeds. Minister for the Interior Karl Blecha (SPOe) [Austrian Socialist Party] "will no longer sit still for this unacceptable situation;" opposition chief Alois Mock (OeVP) [Austrian People's Party] calls for "overdue action;" rightwing showpiece Delegate Helene Partik-Pable (FPÖe) [Austrian Freedom Party] wants to "open the people's eyes."

This multicolored outbreak of energy is directed at Austria's miserable civil defense situation. Big-name politicians of the three parliamentary parties are suddenly irritated by a fact which all Viennese governments have swept under the rug for decades: that in cases of any kind of crisis or war, not only a nuclear catastrophe, the Austrian population would be almost entirely unprotected.

For the first time officials are considering what would happen on that ominous day when the wailing alarm sirens indicate imminent danger. How will the 7.5 million Austrians act then? Will they, per recommendation of official brochures, proceed in a disciplined manner to the closest shelter, conscientiously carrying the prescribed emergency items and documents? Will they panic and run out into the open, fleeing their houses, villages, cities? Will they fatalistically pull their blankets over their heads? Or will they make the grand gesture of uncorking their most prized bottle of Veltliner wine, drink each other's health for the last time and sing the most appropriate Heurigen song "Sell my clothes, I'm going to heaven?"

Sixty-seven percent of them--among them the 1.5 million Viennese--will surely do none of the above. Regardless of the threatened approach of the radioactive cloud, they will keep their heads and proceed with their normal activities: they will not have been warned by any siren. Inasmuch as the overall Austrian alarm system is still only one-third effective, they will be in a condition of blessed, but unfortunately not life-preserving ignorance.

The remaining 33 percent on the other hand, in whose neighborhood the sirens screamed satisfactorily, might be wise to opt for the Veltliner wine. If you are going to die anyway, you might as well die happy.

And die they will. They can confirm this in black and white in civil defense statistics. They can even read it indirectly in federal and provincial budgets.

The Republic of Austria, a top-heavy structure in which "the state" takes care of everything, has money for even the most minuscule minority programs. Their yard-long grant lists support pint-sized theaters and sport clubs, crazy painters and a whole bunch of cultural publications with no readers. However, the Republic has never wanted much to do with civil defense. It considered civil defense to be worth a mere 687,000 Swiss francs year in and year out, or about 9 rappen per head. The provinces and communities were similarly stingy--with Vienna in the lead, which managed to spend a grand total of 25,000 Swiss francs for the protection of its inhabitants. Compare this with the fact that for the same time period, Vienna spent 710,000 Swiss francs for the disposal of animal cadavers!

The ridiculous budget was followed by an equally ridiculous result. There is absolutely nothing on hand which might serve the Austrians, who are nakedly sitting at the intersection between NATO and the Warsaw Pact, to survive if some day the balloon were to go up.

Shelter accommodation spaces total a bare 350,000. In case of need, a mere three out of every 100 Austrians could crawl underground. And there is no great reason for envying even those happy three. They will not find, as they would in Switzerland, well-equipped, radiation-proof "bunkers," containing an adequate number of beds, food, sanitary facilities and a lot of other things. The things grandly known in Austria as "shelters", 19 or 20 of them, are nothing other than poorly thrown together, bare concrete chambers in the so-called "basic configuration." They offer protection against fragmentation and biological warfare agents, but not against heat, blast and nuclear fallout. One would look in vain for water supply and emergency food rations in those places.

Medical care would be equally hard to come by. The Medical Association, which should know whereof it speaks, states soberly that "there is no provision for protecting the health of the population in cases of emergency.

Even the Basics of Civil Defense are Lacking

It is irrelevant that Austria has 20,000 physicians (among them 600 surgeons), 13,400 auxiliary medical personnel and 322 hospitals containing 84,000 beds--in line with Western European averages.

There are neither auxiliary hospitals nor mobile emergency field dispensaries with tents and cots. The few intensive care stations are completely full even in normal times. Practicing physicians are neither trained in disaster medicine nor listed in a disaster register. Not even emergency stocks of medical supplies appear to be provided for. Inventories of pharmaceuticals having long expiration dates are good for 30 to 45 days; the others 3 to 4 days.

The state has not even provided for the most inexpensive things of all: planning of emergency measures, training of auxiliaries, information of the population. How should food supplies stored by major distributors be quickly transported into crisis zones if the federal armed forces plan to commandeer more than 60 percent of all privately-owned trucks for their own use? Who is responsible for distribution of oil and coal reserves, which are much too limited in any case? What is to be done when electric power, and therefore heating, fail? And generally, what can a private citizen do for himself and his family when the sirens start wailing; whose orders does he take and what duties does he have? Nobody knows. The general emergency plan, the most basic of civil defense requirements, has not yet been written.

The Blacks, the Reds and the Black and Reds Make Like Ostriches

For all that, Austria was among the first countries which knocked together a legal basis for modern civil defense. The relevant paragraphs have been on the books since 1968. Their implementation has however so far always been frustrated by the still missing implementing regulations (e.g. no general officer, no policeman is empowered to order "blackout" in a community); also, by the wildly proliferating conflicts of responsibility.

Interior Minister Blecha rightly feels that he is "responsible for almost everything, while having jurisdiction over practically nothing"--he is responsible merely for the complex coordination of someone else's measures. Federalism is really coming up with some beauties. The Federal Government is responsible for radiation protection; for medical care partly the federal, partly the provincial government; for firefighting, definitely the province concerned; for public assistance and ambulance services, the community. And just so this complicated structure can be complicated still more, the Ministry for Construction and Technology has the pleasure of controlling shelter construction by the provincial governments. This situation guarantees that the federal and provincial governments can forever be locked in battle in a continuous series of new official scenarios.

Insiders suspect that this bureaucratic chaos did not come about accidentally, but had been ingeniously planned from the very beginning. The people on the Ballhausplatz, they say, consciously created an instrument for obstructing civil defense for themselves.

There may indeed be some truth in this. In any case, it is a fact that none of the Vienna governments to date--be they black and red, pure black or pure red--have wanted anything to do with the unpopular subject. Led by carefree federal chancellors, the Austrians happily made like ostriches for decades. The better off they were, the more irresponsible they became. Despite their normal good grasp of reality, they insisted on considering the cold war as a brief pause in the basic East-West thaw. Occasional civil defense enthusiasts were considered to be ridiculous cultists. Nor could they muster any kind of understanding for the digging activities in neighboring Switzerland. How could the rich gnomes of Zurich be so petty bourgeois-scared!

Even toward the end of the 1970s, when there was evidence of an international political permafrost, civil defense remained a stepchild on the Ballhuasplatz. The one-party SPOe government did of course take care of itself and its bureaucrats by acquiring a feudal, nuclear bomb-proof alternate home in St. Johann/Salzburg, where all new office buildings were equipped with solid basement shelters. However, for the rest of the population all they could come up with were a few idyllic pieces of advice, such as this one: "When brushing radioactivity from your clothing, take note of the wind direction."

But now everything will change. Now the great rethinking process starts. The civil defense advocates are no longer considered faddists; Switzerland is no longer being mildly ridiculed, but rather strongly envied and praised as an example worth emulating.

The belated eagerness has a transparent background. There are additional jobs to be had for construction workers, and the credibility of the federal armed forces is involved.

The latter are well known to champion a very flexible "area defense," whose basic concept consists of not engaging an aggressor directly in a land battle near the border, but rather to wear him out by a series of skirmishes in the inhabited interior of the country. However, such guerrilla-type tactics must have the full cooperation of the population and therefore make civil defense mandatory. A population which finds itself in constant danger would hardly furnish a great deal of moral support to the army.

The minister for the interior has announced a great "civil defense investigation" for the latter part of January 1985 (the first one since 1961!), which is intended to assemble all involved institutions all the way up to the nine provincial governors--a total of 500 people--seated around an imaginary round table and to engage them in the common catching-up endeavor.

Blecha intends first of all to clear the jungle of overlapping responsibilities and to "tell it like it is" to the Austrian people. He has already managed to arrange one small symbolic action: he was able to raise the civil defense budget to 1,500,000 Swiss francs.

For the near term, Blecha's objectives are the elaboration of the long overdue emergency plan, also the completion of the alarm system and a doubling of shelter capacity.

As if to encourage himself, he says: "If Switzerland has five million well-equipped spaces underground, we ought to be able to manage at least 700,000."

Initial successes would serve as stimuli and would be relatively inexpensive. Among other things, the monstrous concrete flak towers from the Hitler period could be reactivated; Vienna's subway stations could be made radiation proof; road tunnels, underground garages and apartment house basements could be used.

The Austrians Just Are Built Differently From the Swiss

Within the next 20 years, i.e., by the year 2005, effective shelters could thus gradually come into being for the bulk of the population, provided of course "the Austrian people agree to making greater financial sacrifices for their own greater security," as Blecha puts it, and stand still for deep incursions into their wallets.

All that is however still a big question mark. For adequate improvements of the public shelters an estimated 10-15 billion francs would be required; for a private mini-shelter, 10,000-30,000 francs, depending upon its appointments. If sums of that magnitude could become available at all, it would be only through a problematic mobilization of the citizens' fears.

In the past, even much smaller sums constituted insuperable obstacles. Former Trade Minister Josef Staribacher remembers that "'Project Squirrel,' with which I tried to interest my fellow citizens in stocking a bare minimum of emergency food supplies, was the biggest bust of my public career." With resignation, he concluded that "the Austrians just are built differently from the Swiss."

9273

CSO: 3620/201

MILITARY

NORWAY

MILITARY TO REPLACE OLDEST VEHICLES BEGINNING THIS YEAR

Oslo ARBEIDERBLADET in Norwegian 11 Jan 85 p 9

[Article: "Military Replacing Vehicles"]

[Text] Starting in 1985, the military will begin replacing the oldest vehicles among the army's truck fleet. Testing of four different types of vehicles will begin this month.

The army supply command--as the military's agent for vehicle supplies--will undertake the testing.

In order to achieve the greatest degree of standardization possible in the future vehicle fleet, this acquisition is planned as a fleet purchase. All vehicles hopefully will be obtained from the same supplier and be of the same type.

In June, 1984, the army supply command sent invitations for bids to all of the larger Norwegian truck dealers. Because of the limited testing capacity, the number of bidders is limited to four, namely, MAN, Mercedes, Scania and Volvo. According to the plan, the testing is to be completed in the middle of 1985.

12578

CSO: 3639/63

MILITARY

NORWAY

BRIEFS

AIR FORCE RADAR EQUIPMENT CONTRACT--The Defense Ministry has approved a contract between Kongsberg Weapons Factory and the air force supply command concerning equipment for transmitting radar pictures. The contract is part of a larger project that includes modernization of radar stations and is worth around 12 million kroner. Kongsberg will be responsible for production. In connection with the contract Kongsberg Weapons Factory has promised to assign work to its Narvik division. The Defense Ministry also approved a contract between the army supply command and Vinghog Engineering Workshop in Duken, Vestfold, for around 8 million kroner. The contract involves production of vehicle-mounted field line equipment that will replace old equipment in the army and navy. [Text] [Oslo AFTENPOSTEN in Norwegian 2 Jan 85 p 6] 6578

CSO: 3639/60

MILITARY

SPAIN

KING JUAN CARLOS, SENIOR OFFICIALS' MILITARY EPIPHANY SPEECHES

Military's Unifying Role Stressed

Madrid EL ALCAZAR in Spanish 8 Jan 85 p 8

[Text] Last Sunday, at all the military centers, the ceremonies marking the Military Epiphany took place. At the Oriente Palace, King Don Juan Carlos officiated at the traditional reception for the military commands and commissions, "at a function wherein we can identify ourselves, again, with what unites us above all things: love for Spain." During the course of his address, the king remarked: "The Spanish people know that without Armed Forces on a par with our times, we would have to give up the preservation of moral interests, our own geographical context and the vitality of our international presence."

Don Juan Carlos called for an overall effort from the entire Spanish society "to achieve the peace and security of Spain, in a situation of international tension wherein weakness or isolation is tantamount to collective suicide."

The royal couple received various civilian commissions throughout the morning at the palace. As is traditional, the military reception began in the Gasparini Room, where Don Juan Carlos greeted the president of the government and the heads of the Defense and Interior Ministries. Already in formation in the Throne Room facing the royal couple were the different commissions headed by the high commanders of the Defense Ministry, the chiefs of staff of the military branches and the heads of the Civil Guard and National Police.

During the course of the ceremony, at which Don Juan Carlos conferred various awards, the first speaker was the defense minister, Mr Serra.

Serra Emphasizes the Ministry's Progress

Narciso Serra reiterated the Armed Forces' allegiance to the king, and underscored the progress made since last year in the policy of reorganizing his department. He cited as the main areas that have been developed: the demarcation of the defense policy for the next decade; the first military policy measures concentrated on the definition of personnel and a new concept of military service; the technological and industrial impetus for the defense

sector; and the completion of a new model for the military justice system. Narciso Serra then expanded upon these points. After explaining how the strategic objectives are being established for the coming years, the minister stressed the coordination among the military branches in the ministry's structure.

Commenting on the establishment of organization charts in the three military branches, by means of a reduction, Narciso Serra said that this process is "stringent in its concept, ambitious in its objectives, and realistic and circumspect in its execution," and that "it requires sacrifices which are accepted as a service to Spain." He spoke of the inequality existing between real and actual needs, explaining that the only effective measure over the long term "will be to gear entry into the academies to the organization charts of the military branches."

Comments by the King

When this address had ended, the king took the floor and, among other things, declared: "Loving Spain has always been the essential attitude of Spaniards, the inspiration for their activity and their mark of nobility. This increases the responsibility of those of us who have made the grandeur of that sentiment a sincere vocation, a constant sacrifice and voluntary dedication to others.

"To be a member of the military means, per se, adopting as an unchangeable inspiration that feature which defines a person socially as a servant of his fellow countrymen in the loftiest of aspirations, for the maintenance of peace, the defense of the national integrity and the interpretation of life as an asset to be dedicated to the service of Spain."

The king mentioned "the goals of perfection, modernization and progress" cited for the Defense Ministry by Minister Serra, and the unity between the notions of "Army and people." He remarked: "Spanish families are viewing our progress with solidarity, advancing with us, being touched by the sentiments that inspire the soldier's mission; and, ultimately, they feel personally the grief for those who have died in cruel, cowardly attacks while performing their duty.

"The Armed Forces constitute an essential mechanism for the development of the national society itself; and consequently they assume the responsibility for our civilization, our liberty and our culture."

After conveying New Year's greetings, the king concluded his address, and the ceremony was considered to have ended.

In Other Cities

In the various captaincies general and maritime zones, there were also receptions and military parades, with speeches by the respective officials.

In Barcelona, Lt Gen Rodriguez Ventosa stated: "Although it is true that, this year, we have not had occasion to win any victory on the battlefield, it is

nonetheless true that, by consistently keeping our units disciplined and instructed, we have continued to take effective action to deter any potential enemies of Spain."

In Valladolid, Lt Gen Pedrosa Sobral remarked: "In the past, the Armed Forces of Spain were architects of the unity of Spain. Today, the Armed Forces of Spain are a guarantee of the unity of Spain."

During the reception held in Burgos, the captain general of the Sixth Region, Juan Antonio Vicente Izquierdo, criticized the positions opposing the anti-terrorist measures: "When the authorities who are legitimized for doing so decide on antiterrorist measures, as regrettable as you may regard them, but originating in and justified by the very ruthlessness of the attack, there have been certain hurtful and sometimes hypocritical positions of repudiation, obviously intended to have murder go unpunished."

After recalling the victims of "the treacherously murderous action of the terrorist rings," he added: "Their (terrorist) members should realize that, however much they give themselves military titles, there is no valid resemblance between their cruel, heartless violence and the real soldier's use of weapons, sacrificing his life in an honest, face-to-face battle."

Commenting on the sectors associated with ETA terrorism, Lt Gen Vicente Izquierdo said: "Let those minority sectors directly backing them, as well as the not so minority strata of the population objectively making use of their action, understanding it and encouraging it with blameworthy aloofness, also come to understand that an entire people will arrive at the historic disgrace of having put up with an unworthy action in their midst, wherein there was no participation by those Basque soldiers who fought face-to-face and lawfully in the wars of the past and on opposing sides."

Individual Branch Chiefs Comment

San Sebastian EGIN in Spanish 5 Jan 85 p 12

[Text] EFE, Madrid--The defense chief of staff, Adm Angel Liberal Lucini, declared during the marking of the Military Epiphany that the Constitution is not a dead letter for the military branches, but rather their own *raison d'etre*.

During the course of that ceremony, the defense minister, Narciso Serra, conveyed to the admiral who is chief of staff the government's confidence in the current military chain of command.

Admiral Liberal had previously voiced allegiance and subordination to the king and obedience to the Spanish Government, at the first commemoration of the Military Epiphany at which the defense chief of staff addressed the minister as representative of the military class.

In his address, Admiral Liberal gave backing for the process of modernizing the Armed Forces started in 1975, and the upgrading of the Defense Ministry.

Liberal said: "The entire Spanish people may be certain that now, as always, the Armed Forces will be ready to perform the missions which, according to Article 8 of the Constitution, guarantee the sovereignty and independence of Spain and defend its territorial integrity and constitutional order, and which are assigned to them wherever and whenever necessary."

Cool Head and Warm Heart

The JEMAD [defense chief of staff] added: "Exemplary Armed Forces, capable of performing the missions assigned to them by Article 8 of the Constitution, with a cool head and a warm heart, are the goal that we are attempting to enhance every day.

"And they need to be supported by that spirit of national defense which all of us Spaniards are dutybound to arouse and pass on, if we want to preserve our own identity completely."

The JEMAD also commented on the violence of minorities whose position is outside the bounds of the Constitution, and conveyed his solidarity to the state security forces.

The chiefs of staff of the three military branches celebrated the Military Epiphany at their respective headquarters, with the traditional congratulatory speeches and receptions for military commissions and representatives.

The chief of staff of the Air Force, Lt Gen Jose Santos Peralba, conveyed his wishes for peace.

He said: "To achieve peace in our nation, there must be an effective Air Force, capable of creating a climate of deterrence so that, in conjunction with the other fraternal military branches, it may full comply with the constitutional mandate assigning us the mission of defending Spain."

The Navy's chief of staff, Adm Guillermo Salas Cardenal, commented yesterday: "Spain cannot live turning its back on the sea unless it wants to doom itself to underdevelopment and to a serious loss of specific weight on the international scene."

After stressing our country's maritime importance, Salas Cardenal cited the mission assigned to the Navy, both in peacetime and in times of crisis and war. He said: "In the event of a conflict, our doctrine is also very clear: The defense of Spain must in no way be conceived as the defense of a fortress."

The admiral noted that the new Military Service Law "has caused for the Navy the obstacle of a reduction in compulsory service to 12 months, with the following repercussions: a higher cost for the same number of sailors and soldiers on assignment, a decline in the level of training and the fact that the 6,000 first-class seamen will become unprofitable."

The chief of staff of the Land Army (JEME), Lt Gen Jose Saenz de Tejada, emphasized the fact that the modernization that is being carried out in the Army has more than sufficient justification.

Saenz de Tejada remarked that, at the present time, the Army must be considered part of a general system that is being completed (he said) "in the guidelines on defense policy, which is a state policy, and the government's military policy."

During the address, the JEME commented on the Spaniards who have given the nation the best of their efforts, "and some of them their lives, in an act of service, at the hands of blind terrorism."

2909

CSO: 3548/78

MILITARY

SWEDEN

NORWEGIAN FIRM GETS CONTRACT FOR NAVAL COMMUNICATIONS EQUIPMENT

Oslo AFTENPOSTEN in Norwegian 2 Jan 85 p 6

[Article by Ulf Peter Hellstrom]

[Text] A computer-based communications system for military forces in the field is about to become a sizable commercial area for the Standard Telephone and Cable Factory (STK). The concern received another contract from the Swedish Navy for delivery of the communications system. This last delivery is worth 35 million kroner.

"The market for this type of specialized communications equipment is worth billions of kroner in the Scandinavian countries alone," said the chief of STK's telecommunications division, director Gunnar Tidemann. He characterized the development work that preceded the commercial phase as the biggest development project in the electronics field in this country.

In cooperation with the Defense Research Institute (FFI), STK has developed much of the decentralized communications structure that typifies the system which is part of the Defense Digital Network (FDN). Over 600 engineer work years went into developing the system. Elektrisk Bureau also developed part of the system which uses tactical equipment.

STK is beginning to see the economic results now. The company will deliver equipment worth 200 million in terms of 1982 kroner to the Norwegian defense system. At the end of 1984 STK had delivered communications equipment to various customers worth a total of 140 million kroner while the order backlog amounts to 280 million kroner. The firm's management estimates that the back orders will add up to half a billion in the near future and that this business area will produce 150 million kroner this year. The proportion is likely to increase rapidly, putting it at more than 10 percent of total company sales.

The communications system is based on a number of junctions in the communications network. Communication between two subscribers can travel along different routes through the junctions that are in operation. These "route selections" make it possible to maintain communications even when some of the junctions are inoperative, in a war, for example. The system transmits both data and speech and can be mounted on mobile units.

"This is a central commercial area for STK in the long-range plan we are following. For Norwegian industry the communications system is also an example of how fruitful contacts between a research institution and a company with its own expertise can be. Through our contacts with FFI we have created an atmosphere around the development of this form of advanced communications equipment that will have an impact on the export sector," said director Tidemann.

The development work behind the communications system, which took several years, also resulted in the company's ability to quickly get started in the civilian sector on production and sale of digital business switchboards, according to STK.

"This project has cost STK a total of over 100 million kroner while the total limit of the project will amount to a quarter of a billion kroner. Projects of such scope and importance require a long-range cooperation on the part of the authorities, research institutions and Norwegian industries--as in this case," said Tidemann.

6578

CSO: 3639/60

ECONOMIC

GREECE

SCENARIO FOR IMF ASSISTANCE TO ECONOMY DRAWN

Athens MESIMVRINI in Greek 27 Dec 84 pp 6-7

/Article by Columnist K. Kolmer: "What the IMF Will Ask of Greece" /

/Text / In a previous article we wrote that the EEC Committee asked that the Greek government adjust its economic policy so high inflation could be decreased. /Finance Minister / Arsenis rejected the recommendation with the excuse that the EEC and IMF "prescriptions" lead to...dictatorship.

Regardless of Arsenis' arbitrary thinking, it is perhaps necessary to speculate what the IMF demands will be when Greece inevitably resorts to it and what the consequences of its prescription will be.

Stabilization

First of all, the weakness of the Greek balance of payments will need a major readjustment of the national currency's foreign parity. Let us assume 200 drachmas per dollar. Is such an adjustment destructive?

A new devaluation of 37 percent (from 125 to 200 drachmas per dollar) is smaller than that of 1981 and 1984, that is, during the term of the socialist government which inherited a level of 58 drachmas per dollar and brought it to 125 (a 54 percent devaluation). And no dictatorship as yet in Greece!...

Second, the arrival of the IMF in Greece would mean the end of price subsidies paid by the consumer either through the state budget (fuels for instance) or through a price freeze (bread, medicines, beer, etc., for example). But could such a thing, which would perhaps double the overall price level, have destructive consequences on the Greek economy?

First, such a price "jump"--from the present 20 percent annual increase to 40 percent, let us assume--is nothing new to the Greek economy which every three and a half years sustains more than double increases in the overall price level. (Editor's note: With an annual inflation of 25 percent every 3.6 years, the drachmas loses half of its buying power without, however, the... return of the dictatorship.)

Second, in the event of an IMF type of devaluation the buying power of fixed incomes (salaries, pensions, allowances) would suffer a significant loss

since the IMF would not permit income indexing. The fact, however, that the rate of price rises would double would have a reducing effect on inflation which would jump only once and then would be stabilized at lower levels (single-digit rate).

This would allow some fixed incomes to readjust slowly (how? with some additional effort on the part of those having such incomes or with improvement of the economy which will follow) and some other things such as the savings, for instance, to gain two or three more units than the inflation (the interest on deposits, for example). Today they are losing four units--and we do not have a dictatorship!

A third prerequisite in addition to the above would be to decrease the state deficit, to balance public economies, to restore freedom in the markets of money, labor and goods, and to limit government activities except perhaps in the effort of arresting tax evasion. All these are not demands of a dictatorship but the future of democracy and freedom. Moreover, all these would be demanded not so much by the IMF as by the need to cleanse the Greek economy from the present disease of nationalizing everything.

But could a logical and free person in our country protest against all that the IMF would demand? Of course not, except perhaps to protest against the temporary rise in unemployment which would be caused by the interruption of the numerous appointments in public positions. But would unemployment or austerity be a threat to democracy? Perhaps! Not a serious threat if one considers the lessons of history. This is so because in the past also we had a better democracy with less employment than today.

It Does Not Impose Austerity

Will IMF's prescription be of benefit to the health of our economy? To this hypothetical question the answer is given by IMF's Director Delarosier that the "IMF prescription will help the sick (Greek) economy because the readjustment of the foreign exchange parities (Ed. Note: devaluation) not only does not harm the productive classes but on the contrary favors them!..."

In countries with considerable participation of the agricultural economy in domestic products and exports, a devaluation (of the currency) favors even the small farmers of the country since it automatically makes their products (figs, milk, butter, etc.) competitive toward similar products which were until now imported, products whose low parity allows for "illegal" competition. But the devaluation helps also the small to medium producers in urban areas because not only will they be able to survive but also to undertake exports by the simple reason that through devaluation their products would become competitive.

But could the parity readjustment procedure--one of IMF's prescriptions--hurt the Greek industry? Not necessarily. On the contrary, with more savings and more investments the domestic industry will be indirectly benefited as will, moreover, tourism and other services.

In this sense, therefore, the readjustment of the economy policy IMF imposes will also benefit the unemployed, the reason being that unemployment is eliminated completely only in places where new employment positions are created.

"In 1983," says Delarosier, "the new loans to countries which applied to the IMF reached 12 billion dollars. Also, 20 more million dollars represented new bank loans. All these assets, which together with the long-term loans total 40 billion dollars, contributed to the development of the countries which accepted the IMF discipline"--the prescription as Arsenis would say--"and provided employment to millions of working people who otherwise would remain idle."

Who, in such a case, bears the burden of the economic discipline since, according to Arsenis' teachers, the economy is "a game of zero results"? Could it be that the urban population could bear the burden? Not even this population says Delarosier, "because readjustment to the extent of its (population) strength is unavoidable" whether the teachers and the politicians like it or not. No one can enjoy free meals since they are offered only on a short-term basis--another teacher says--whether to Leavens or to Mount Athos.

The consequences of the economic readjustment and of the greater discipline are borne indeed by one class: the bureaucrats and politicians. The latter cannot expand their offices and the bureaucrats cannot manage resources they do not own. They will be, in the end, the victims from the IMF arrival in our country.

Arsenis, therefore, is justly protesting. And for partisan reasons he terrorizes us with the slogan "either we, the socialists, or the tanks." Well, there is no great difference between the two. But the slogan is conducive to a revision: Better to have the IMF than the socialists...

7520

CSO: 3521/144

ECONOMIC

GREECE

HUNGARIAN COMPANY AWARDED CONTRACT FOR HEALTH CENTERS' EQUIPMENT

Athens | KATHIMERINI in Greek 8 Jan 85 p 7

/Text/ Minister of Public Health and Welfare G. Gennimatas and Deputy National Finance Minister Kostis Vaitzos announced the following in connection with the procurement of scientific equipment for Health Centers:

The decision awarding the contract for the procurement of equipment for Health Centers and X-ray laboratories has been signed. The decision concerns the medical equipment for the 165 health centers and provides for the delivery of equipment at a time which will permit the immediate operation of the Centers as soon as their construction is completed.

The order for the equipment was awarded to the Hungarian company MEDICOR. The negotiations with this company, the first bidder in the international contest (34 international firms participated with interesting bids), led to satisfactory results and allowed for considerably improving its original offer. Specifically:

--The total cost is limited to 635 million drachmas instead of the original estimated amount of 920 million.

--Repayment will be made under specially favorable terms unique for international firms:

a. The first 150 million drachmas will be paid off by paying in drachmas the pensions of Greek political refugees from Hungary.

b. About 150 million drachmas will be paid off with the purchase by Hungary of Greek citrus fruits.

c. The remaining 355 drachmas will be paid off with the export of a number of other Greek products.

--The relevant contract provides for the training of Greek personnel for the Health Centers and the organization of a technical support system for the whole country. The company is bound by the stipulation that the technical teams must respond (for repairs) within 24 hours and that the equipment must not remain idle due to damage more than 12 days per year.

--Finally, the necessary spare parts will be provided by the company for at least 10 years and it was arranged that they be paid in drachmas and on the basis of the price list used during the overall negotiations. Even prices of the spare parts will be re-adjusted at low rates.

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CS0: 3521/144

ECONOMIC

GREECE

BRIEFS

AGREEMENT WITH USSR--An announcement by the National Finance Ministry states that the talks held in Athens from 17 to 20 December 1984 concluded in an agreement for an increase in 1985 of Greek exports to the Soviet Union. The increase for farm products will exceed 15 percent and for industrial products 35 percent. The announcement points out, in part: "The negotiations were provided by the protocol of the third meeting of the Inter-Government Committee last July. The protocol was signed on behalf of Greece by Deputy National Minister Kostis Vaitzos. It was specifically agreed to export in 1985 100,000-110,000 tons of citrus fruits (an increase of 17 percent (compared to 1984), 20,000-40,000 tons of wine (an increase of 20 percent), 3,000-4,000 tons of olive oil (an increase of 75 percent), as well as considerable quantities of tobacco, sultana raisins, cotton, olives and other farm products. Also, in the area of industrial consumer goods, Greece will export considerable quantities of ready-to-wear garments and knitted items (worth about 10 million dollars) and shoes, while the export of fabric will continue." /Text/ /Athens I VRADYNI in Greek 3 Jan 85 p 15/ 7520

AGREEMENTS WITH LIBYA, IRAQ, EGYPT--The state-controlled Company for International Trade /EDE/ has signed a number of agreements with Iraq, Egypt and Libya during visits to these countries by a Greek multi-membered delegation. In Iraq, EDE President Soulis A. Postolopoulos negotiated with 12 importing companies for the export of Greek raw and construction materials and canned foods. The Iraqis are interested in importing plastic bags valued at 2.3 million dollars, high-tension cables (5 million dollars), potatoes worth 1 million dollars, iron, marble and wood products, tomato paste and marmalade. It was also agreed to start negotiations in the first trimester of 1985 for the construction of a settlement near Baghdad. In Libya the EDE signed a contract for the export of shoes to that country. In Egypt an agreement was reached for Greek exports of tobacco, olives, glass products, fire bricks, paper and tomato paste. /Text/ /Athens ETHNOS in Greek 23 Dec 84 p 7/ 7520

CSO: 3521/143

BRIEFS

INDUSTRIAL PRODUCTION UP FOUR PERCENT--Industrial production rose 4.2 percent between November, 1983 and November, 1984. The percentage increase was greater toward the end of 1984, according to the Central Statistics Bureau's seasonally adjusted production index. Kjell Hanssen, a permanent secretary in the Department of Industry, characterizes the increase as strong. He emphasizes that the advance is occurring now on a broad front. The production figures for November are the highest ever recorded, according to Hanssen. He adds, however, that it was protected and domestic industries which had the strongest increase in the final months last year. During the first 11 months last year, industrial production increased 2.5 percent compared with the corresponding period the year before. In the three-month period from September to November, the increase was up to 3.6 percent. The final production figures for 1984 are difficult to predict however, because the December figures can be influenced by the fact that the month has fewer working days than normal. [Text] [Oslo ARBEIDERBLADET in Norwegian 11 Jan 85 p 9] 12578

CSO: 3639/63

ECONOMIC

SPAIN

MAJOR REDUCTION IN INI LOSSES SLATED FOR 1985

Madrid DIARIO 16 in Spanish 30 Dec 84 p 15

[Text] The industrial reconversion (which affects major INI [National Institute of Industry] enterprises), the capitalization of other companies and the adjustment of production are part of the strategy that will make it possible to reduce the losses of the public business group. According to the official forecasts, INI will reduce its deficit to 110 billion pesetas in 1985 and to 47 billion in 1986.

Madrid--According to predictions made by the government, during 1985 the losses of the INI enterprises will amount to 110 billion pesetas. This deficit represents a sizable improvement with respect to previous years, because this year it will end up with losses of 185 billion pesetas, and in 1983 the deficit was 161 billion. The official estimates also note that, in 1985, the INI group's losses will have declined to 47 billion pesetas.

The report prepared by the government on the status of the public enterprises indicates that one of INI's most significant problems is the excessive concentration of activity in sectors which are in recession, "owing to the buffer role that we have attempted to give to public enterprise in socio-economic policy, particularly between 1975 and 1980." In this connection, it adds that, between those years, the INI enterprises increased their personnel by 11 percent, particularly in the sectors hit by the industrial crisis.

Some enterprises, such as the automotive ones, expended great efforts to reduce their scale, while others (iron and steel, ship construction and capital goods) made very sizable increases in capacity. In addition, the increases in personnel took place at a wage cost exceeding the average in the industrial sector. Moreover, the government report indicates that the increase in capacity required further investments, "the external financing of which exacerbated the already deficient economic structure."

The anticipated reduction in INI's losses will be based on a strategy of rehabilitation concentrated in the enterprises in reconversion sectors, the enterprises in a serious state of crisis not included in the former category and another group of very heterogeneous companies. As for the enterprises

affected by the industrial reconversion plans, the government's plans call for the largest of them (ENSIDESA [National Iron and Steel Enterprise, Inc], Mediterranean Blast Furnaces and Spanish Shipyards) to reduce their losses a half between 1984 and 1986. Nevertheless, it notes that the final results of the iron and steel and shipyard reconversion will take place in 1987.

The companies experiencing a serious crisis, such as SEAT [Spanish Passenger Car Company, Inc], Iberia, Babcock Wilcox and Bazan, will cut their overall losses by a tenth in 1986. Balance will be achieved at SEAT, and a slight profit at Iberia, after a heavy capitalization, "accompanied by an adjustment in personnel depending on the technological level required by the foreign competition, particularly in the case of SEAT and Iberia."

In the other INI enterprises, the government's report comments that the situation is very heterogeneous. It is expected that 15 of them will show losses for 1984, although, overall, they will be in a state of balance, with profits of about 16 billion pesetas in 1985.

Despite the plans to capitalize the largest enterprises in the group, the government's report also remarks that, in view of the inability to generate their own funds in most of the companies, it will be necessary to aid in the rehabilitation of the group using different methods. In this respect, it cites the possible reduction in supply for certain enterprises and changes in the capital structure.

Ultimately, the strategy that will be pursued in the public enterprises is to put them in a situation wherein the rate of return on the assets will at least equal the cost of the liabilities and generate a surplus to finance the necessary investment.

According to an estimate by the INI planning office, 20 percent of the assets of the group's enterprises are idle assets. Added to this is the fact that the enterprises' external funds exceed 75 percent of the total; whereas in the private sector the figure is only 52 percent; and that the personnel cost per employee in 1981 was 5 percent higher in the public enterprises than in the private ones.

2909

CSO: 3548/73

ECONOMIC

SPAIN

LIBYA PLEDGES TO PAY CONSTRUCTION DEBT WITH OIL

Madrid YA in Spanish 3 Jan 85 p 10

[Text] One of the immediate results of Qadhafi's recent visit to Spain could be the payment of part of Libya's current debt to Spanish companies, which amounts to over 15 billion pesetas. At least this was the promise made by the president of Libya to Felipe Gonzalez. The Spanish agencies have no record showing that the payment of that debt, which affects Spanish construction companies in particular, has started. One of the systems to be used for paying that \$90 million debt would be payment in kind, that is, in barrels of oil.

During his recent stay in Palma de Mallorca, the president of Libya, Mu-
ammar Qadhafi, pledged to the president of the government, Felipe Gonzalez, to pay the debt of \$90 million (over 15 billion pesetas) which the Libyan administration owes to several Spanish firms, essentially in the construction sector, according to statements made to Europa Press by reliable sources.

According to these sources, Qadhafi confirmed to the head of the Spanish Government a report made 2 weeks ago by a high-ranking Libyan official to the Spanish ambassador in Tripoli, to the effect that Libya was willing to pay its entire debt to the Spanish exporters.

The same sources remarked that, specifically, Qadhafi stated that a third of the debt (about \$30 million) would be paid immediately.

Sources from the Ministry of Economy and Commerce, for their part, have declared that, as of yesterday, they had no word that the Libyan administration had made any payment to the Spanish firms. In any event, they confirmed the fact that these payments are, precisely the "commercial consequences" of Qadhafi's visit mentioned by the government spokesman, Eduardo Sotillos, during the press conference after the Council of Ministers meeting on 26 December.

Payment in Oil

They also noted that, 2 months ago, before the aforementioned promises by Libya had occurred, the latter told certain Spanish companies that it would make its payments in barrels of oil. In this connection, business sources

from the construction sector said that, a few days before Christmas, the shipment of 450,000 barrels of oil to the Railroad enterprise had been ordered; which, at \$29.00 per barrel, represents \$13 million.

The same business sources noted that the Libyan Government had also recently authorized a transfer of nearly \$3 million, to be sent to the Spanish firm, International Builder, which was being withheld. They also stressed that they had not received any notification from the Spanish administration to the effect that the debt was to be paid immediately, in dollars or another currency.

The Libyan debt to the Spanish firms had been increasing throughout 1984, reaching the sum of \$90 million, about \$80 million of which (over 13 billion pesetas) belongs to firms in our country which have done construction work on Libyan territory or which have made exports of materials.

The delay in the payments originated in the suspension of a compensation agreement between the central banks of Spain and Libya, which was not replaced by any other mechanism. In July of last year, after a meeting of the Spanish-Libyan joint commission held in Madrid, the Spanish Ministry of Economy and Commerce released an informative note in which it stated that the Libyan authorities had pledged to pay their debts to the Spanish companies within a maximum period of 3 months.

The period of time set lapsed, and Spain offered another grace period, which also ended without the payments being started. Beginning now, the Spanish Government has stopped purchasing crude from Libya.

2909

CSO: 3548/73

ENERGY

GREECE

CRUDE OIL IMPORTS FOR 1984 LISTED

Athens I VRADYNI in Greek 4 Jan 85 p 15

/Text/ Minister of Energy and Natural Resources El. Veryvakis announced to the press yesterday that the import of liquid fuels since 1984 was made on the basis of bi-statal agreements with Iraq, the USSR, Algeria, Kuwait, the North Aegean Company (Prinos) and the free market. In 1984 the total imports of crude oil and refined oil products reached 9,999,000 tons valued at 2,209 million dollars.

According to Veryvakis, in 1974 Greece imported, on the basis of agreements with other countries, 7,346,000 tons of crude oil. On the contrary, the country bought on the basis of agreements with companies and particularly with Prinos, 642,000 tons and from the free market 574,000 tons.

In 1984 the total procurement of crude oil reached 8,535,000 tons valued at 1,839,000 million dollars. On the other hand, the value of 1,464,000 of oil products Greece purchased totaled 370 million dollars while the total value of crude oil and ready-to-use oil products reached 2,209 million dollars.

According to data made public yesterday by Veryvakis, Greece imported crude oil (mazut) from the following countries: Saudi Arabia, 2,109,000 tons; Iraq, 1,235,000 tons; the USSR, 1,997,000 tons; Libya, 920,000 tons; Algeria, 689,000 tons; and Kuwait, 406,000 tons.

The 1984 total consumption of oil goods in our country increased by 3-4 percent. Veryvakis made clear to the press that the procurement of liquid fuels in 1985 will be made on the basis of bi-statal agreements and from the free market. He added that in 1985 the price of oil purchased from the Soviet Union will drop to 28 dollars per barrel from the 1984 price of 28.25 dollars.

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CSO: 3521/143

ENERGY

GREECE

BRIEFS

ELECTRICITY PRICE RISE--The price of electricity for all types of uses has increased as of yesterday. The increase in electricity for home and rural consumption increased 12 percent and for all other uses (industrial-stores) 16 percent or an average increase of 14 percent. The average price of electricity for industrial use is calculated on the basis of kilowatt hours (increase of 16 percent) from 5.20 to 6 drachmas per KWH. The Public Power Corporation /DEI/ will thus collect a total of 19 billion drachmas in 1985. DEI announced yesterday that it has recommended greater increases due to high operating costs but the government, invoking "reasons of social policy," fixed the above prices which, as far as the home consumption is concerned, are smaller than in other European countries while the price of electric current for industrial consumption equals that of the European countries. In the past 4 years the increases for home use electricity were as follows: 1981-82: 15.6 percent; 1982-83: 11.5 percent; 1983-84 and 1984-85: 12.6 and 12 percent, respectively. /Excerpt/ /Athens I KATHIMERINI in Greek 8 Jan 85 p 1/ 7520

CSO: 3521/143

ENERGY

ITALY

TEXT OF ENERGY POLICY RESOLUTION

Rome NOTIZIARIO DELL'ENEA in Italian Aug-Sep 84 pp 82-84

[A resolution on energy policy approved by the Chamber of Deputies]

[Text] The Committee on Industry of the Chamber of Deputies, following its examination of three resolutions presented by members of parliament on energy policy, approved in its August session the text of a unitary resolution, which was the outcome of a synthesis of the above documents made by Deputy (Dc) Giovanni Bianchini. On this occasion the minister of industry, Renato Altissimo, confirmed that the government will provide parliament with all necessary information regarding the state of progress of the PEN (National Energy Plan) and of the European energy strategy, which is still in its initial phase.

The text of the resolution follows, signed by deputies Viscardi (Dc), Sacconi (Psi), Facchetti (Mixed-Pli), Bianchini (Dc), Fausti (Dc), Cherchi (Pci), Ferrari Silvestro (Dc), Orsenigo (Dc), Briccola (Dc), Sangalli (Dc), Zoso (Dc), Sastro (Pci), Grassucci (Pci), Provantini (Pci), Alasia (Pci), Graduata (Pci), Cuffaro (Pci), Donazzon (Pci), Olivi (Pci), Cardinale (Pci) and Pichetti (Pci):

The Twelfth Committee, having confirmed the validity of the strategic tendencies upon which the PEN is based, has approved the decisions of the CIPE [Interministerial Committee for Economic Planning] of 4 December 1981; noting that in spite of the fact that Parliament, in the course of the eighth legislative session, had already determined the necessary conditions to proceed on the operative level, a gap has clearly been opened between the objectives and the state of advancement of the PEN itself, to the detriment of the industrial sectors involved, and in particular to the thermoelectromechanical sector; noting furthermore that the provisions of the parliamentary resolution of October 1981 have remained substantially without effect, concerning the need to update organization of the energy agencies; taking into account that real growth of the domestic energy scenario, with respect to forecasts of the present plan, may be characterized by: reduction of future global energy requirements, caused by the trend toward a disassociation between rates of increasing energy demand and the turnover in the economy; as well as by energy conservation stimulated by present legislation; the growing penetration of electrical energy in total energy consumption; considering the

need, in light of the above situation, to update the present plan, so as to bring the objectives of energy supply into balance with foreseeable requirements; to guarantee diversification of energy sources: an objective which may be achieved not so much by acting upon the added demand for energy as by direct intervention to replace the portion of energy presently derived from petroleum, it urges the government:

1) to proceed promptly with implementation of measures provided under the plan presently in force and valid even in the present energy scenario, adopting direct initiatives in order to recover, wherever possible, accumulated delays. In particular, it appears necessary to avoid any further slippage in the program to establish 12,000 MW nuclear and coal-fueled plants in accordance with the CIPE resolutions of 4 December and the priorities indicated in these resolutions;

2) to adopt the tools needed for the management of energy policy, especially the role and the organization of the agencies charged with implementation of the plan and, in particular: to strengthen the unitary management of the energy sector at government level; to submit by 31 December 1984 a draft of the reform of ENEL which will define adaptation of the organizational structure, taking into account the need to define clearly the various levels of responsibility of decision-making and operational agencies, as well as the linkage between these, and the need to redefine central and peripheral, vertical and horizontal organization, and to improve the operative capacity of the organization itself; to adopt, in the meantime, measures in abeyance of the actual reform, in the framework of the tendencies described above; to provide for the renewal of outdated social agencies; to support present efforts to reestablish the financial soundness of the ENI and to ascertain its role in the supply of coal and in the nuclear fuel cycle, and to provide continuity in the reform of the ENEA, taking into account eventual new tasks;

3) to adopt all necessary measures in order to overcome serious failings in environmental safety measures; specifically, to activate the separation of the DISP from the ENEA and to create a monitoring body for relevant industrial risks; to deal in operative terms with the question of the development of modern anti-pollution technology; to make assessment of environmental impact mandatory, in accordance with internationally recognized norms; to make the necessary tools available in order that local populations and institutions may have a real and rational involvement in these problems; to deal resolutely with the problem of the socio-economic integration of the plants in the territory, thus speeding up implementation of Law No 8;

4) to provide by 31 December 1984 for the updating of the energy plan, taking into account that goals of increased supply must be correlated with altered rates of increased energy demand, while safeguarding the objectives of diversification of sources and reduction of production costs and energy supply;

Furthermore, the plan should make objective proposals with regard to: achieving forms of integration of the Italian energy system into the European system; extending participation in projects of international cooperation through the development of energy technologies and environmental controls, as well as of industrial systems; encouraging international agreements between companies operating in this sector.

In the framework of these indications, the government is urged to implement, among others, the following measures:

Energy savings and renewable resources: to promote a consumption policy which safeguards the conservation and appropriate use of energy; to render Law 308 of 1982 fully effective with regard to energy conservation, overcoming obstacles at the central level and activating substitute procedures laid down in the legislation, in case of non-fulfillment at the regional level.

Oil: to apply corrective measures on imbalances in the supply system and, in this framework, to implement urgently the directives contained in the decisions of Cipe 4 December 1981, namely: to submit and execute the plan to restructure the domestic refinery system, redefining its position within the European and Mediterranean context and directing the mix of refined products toward products of the greatest added value; to submit within 2 months integrated measures on oil supplies, so as to reestablish a balance between importers and other national operators; and after ascertaining the desirability of establishing a minimum obligatory supply for GPL as well as within the emergency framework--to update norms for the prospection of hydrocarbons; to stimulate implementation at the regional level of rationalization plans for the distribution system.

Natural gas: to carry out diversification of supply sources; to catch up on delays in the implementation of the first stage of methanization of southern Italy guaranteeing the region its real financial requirements; to launch the second stage of the plan and to assign the necessary financial resources; to utilize natural gas for the purposes of production of electrical energy only in cases of exception and limited in time, wherever difficult environmental conditions exist and only for a period needed to reestablish environmental safety.

Coal and nuclear energy: once the option of diversification of energy sources has been firmly established, the number and the siting of further power plants will be defined on the basis of effective need with regard to diversification programs of energy sources for purposes of safety and energy supply and the preservation of the environment.

The siting of additional coal plants should be directed toward coastal areas. The selection of sites already defined is secure, as well as the building of terminals equipped to receive vessels of 100-150 thousand tons.

In addition, national fossil energy resources should be evaluated. With regard to the nuclear program it is further necessary: to provide in good time for the fifth 5-year program; and following a study in that context of the desirability of determining within the organization an entity for the management of radioactive waste, to establish an integrated plan for the systematization of radioactive waste and slag; to draft an operative project for the dismantling of the Garigliano plant, including international assistance to be sought through IAE headquarters; to pursue national efforts in the field of rapid reactors, encouraging forms of European cooperation; to clearly characterize the PEC and CIRENL enterprises as experimental projects of the national nuclear technology and to ensure constant verification of cost-benefits ratio; to follow with special attention problems related to the Caorso Plant, responding promptly to these and evaluating the laboratory role which this plant plays for the Italian nuclear program.

5) to implement a tariff policy which would be a coherent instrument in energy programming, and in this framework it is essential: with respect to the principles of efficient management, to provide directives for the introduction of a tariff system aimed to encourage the use of methane for domestic and industrial purposes especially in the area of the new methanization of southern Italy; to establish the ENEL tariffs so as to permit adjustment of costs to proceeds as well as for developmental programs, in a framework of efficient management of the organization itself; to gradually overcome the present system of thermic overpricing.

6) to submit the financial plan as set forth in the decision of the CIPE on 4 December 1981, indicating which parties are responsible for expenses and for finding the relative resources.

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